11475-2 UB 11/25/80

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

OCTOBER 1980

The October 1980 survey is the 123rd. in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

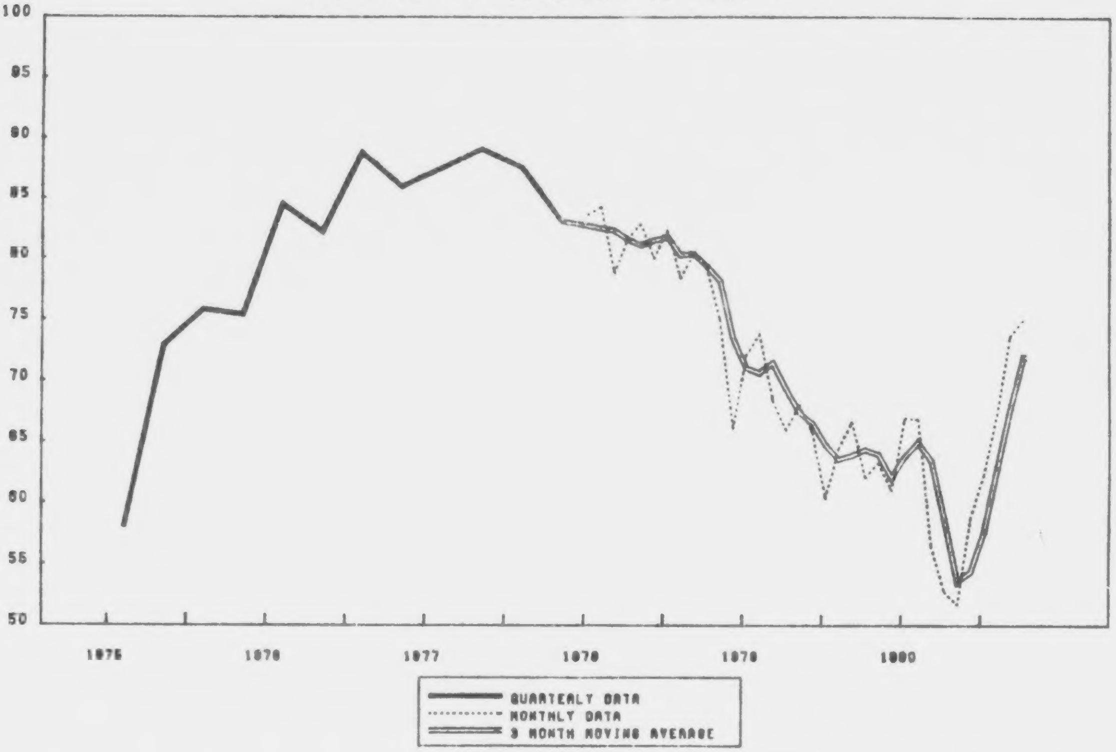

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

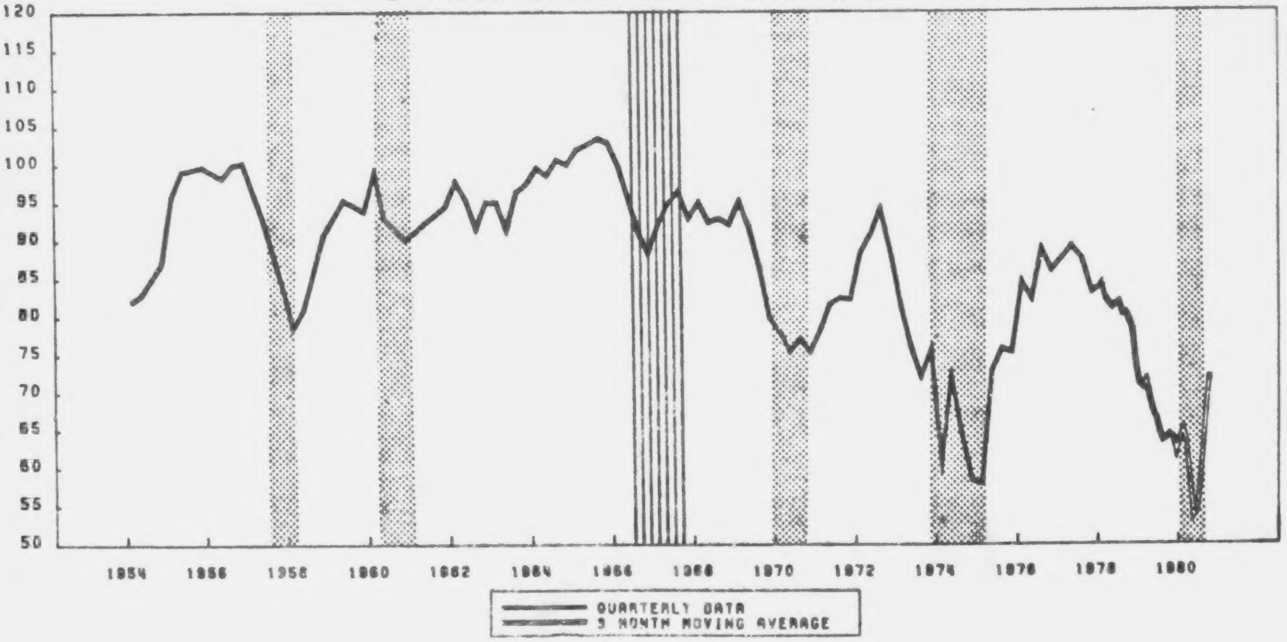

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
November 1977	83.1	94.0	95.5
January 1978	83.7	95.6	94.7
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1 R	78.5 R
October 1980	75.0	76.3	78.7

R = Revised.

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

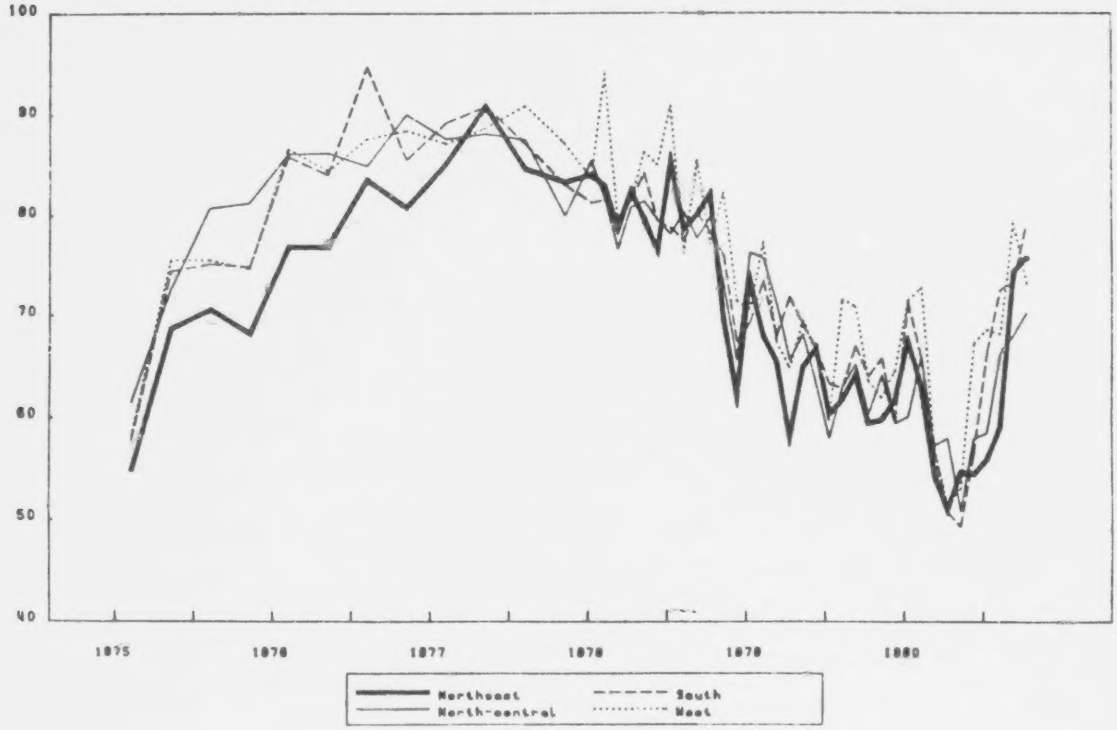

CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

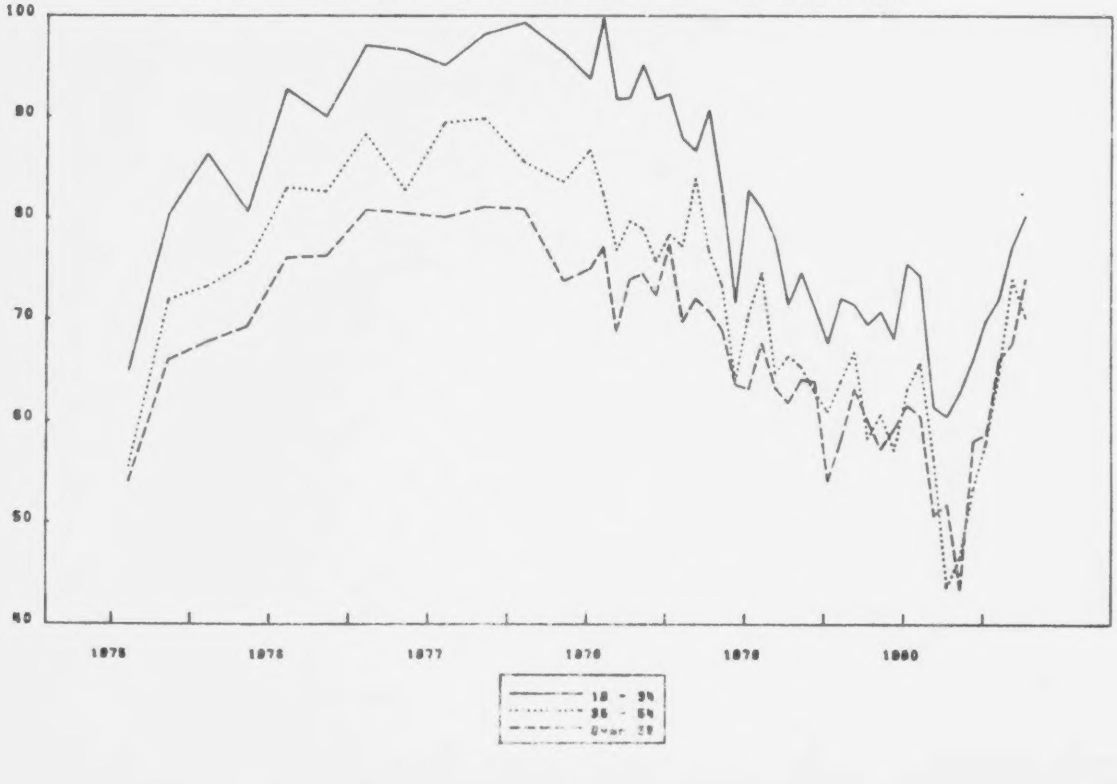

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
November	1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
January	1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February	1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	4[illegible].6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980 R	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0

R = Revised.

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

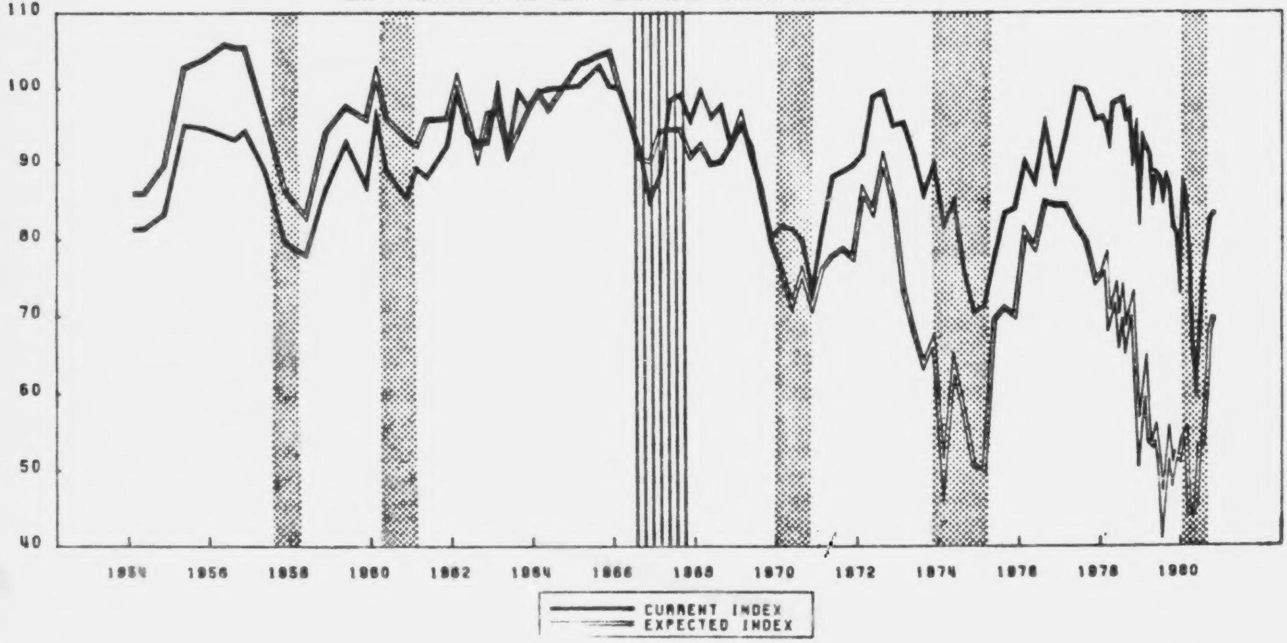

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
November 1977	107	107	104	85	139	96.0	74.7
January 1978	105	114	106	80	142	96.2	75.7
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

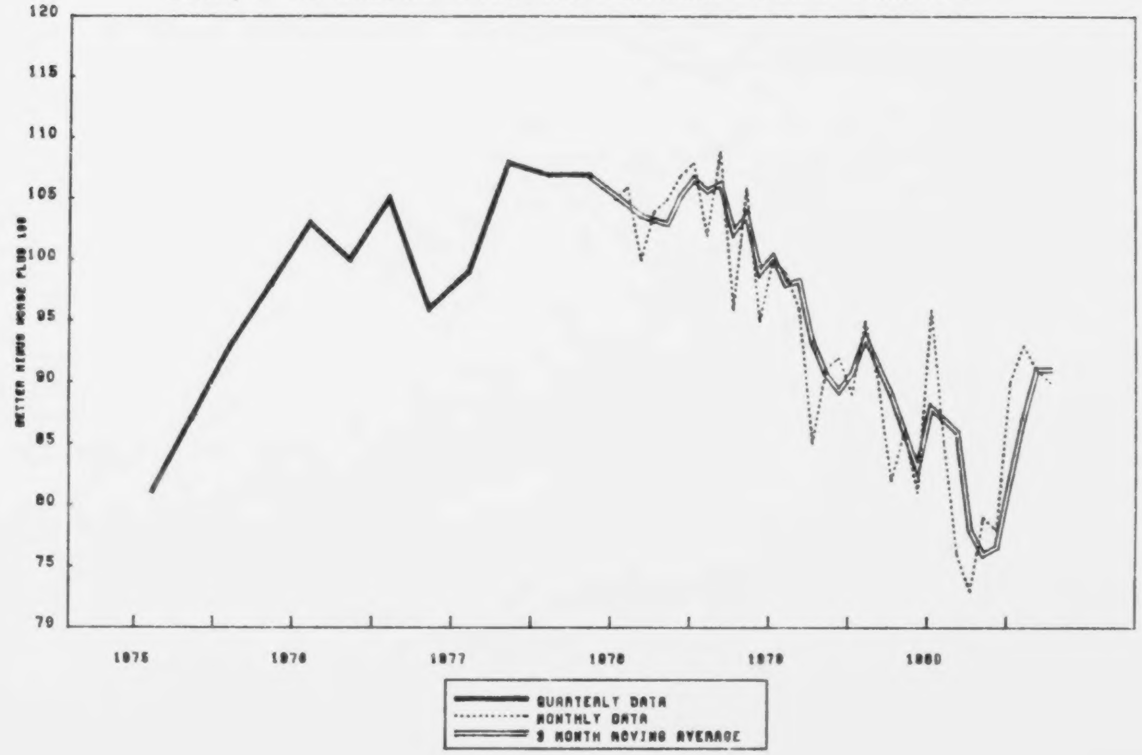
CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

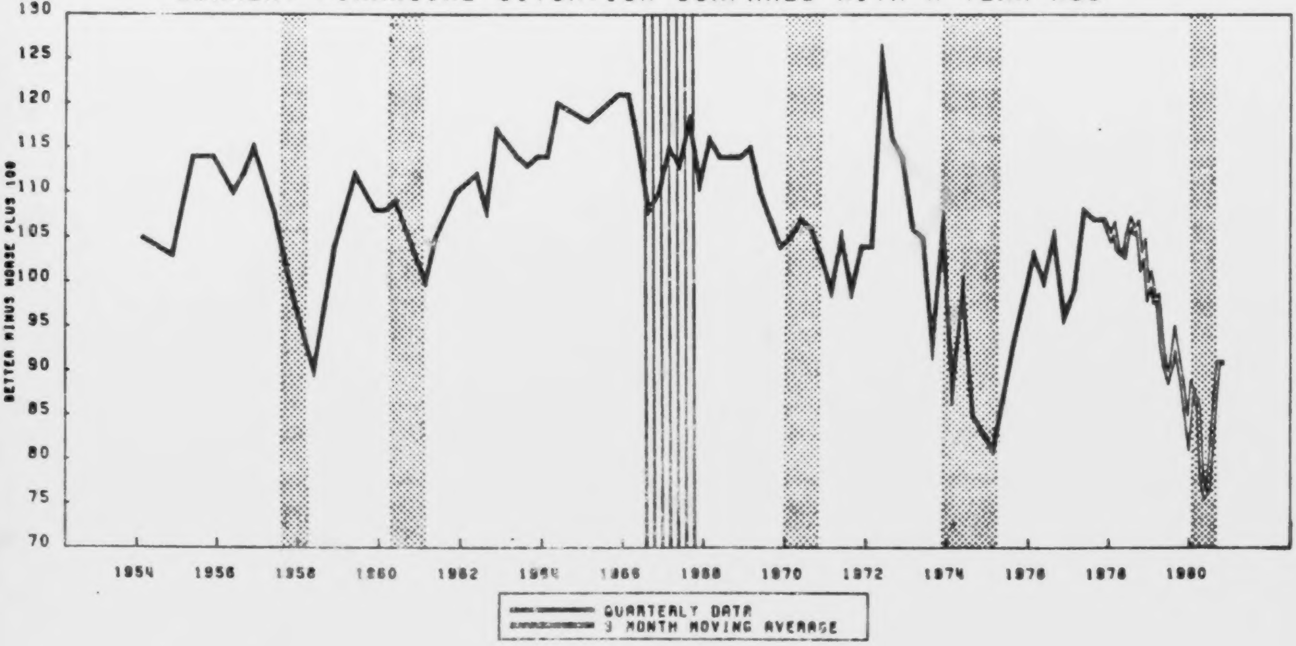
CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
BETTER OFF	28%	30%	28%	34%	30%	24%	24%	26%	25%	30%	33%	31%	30%
SAME	26	25	26	28	25	28	25	26	26	29	26	27	30
WORSE OFF	45	44	45	38	45	48	51	47	47	40	40	40	40
DK,NA	1	1	1	*	*	*	*	1	2	1	1	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

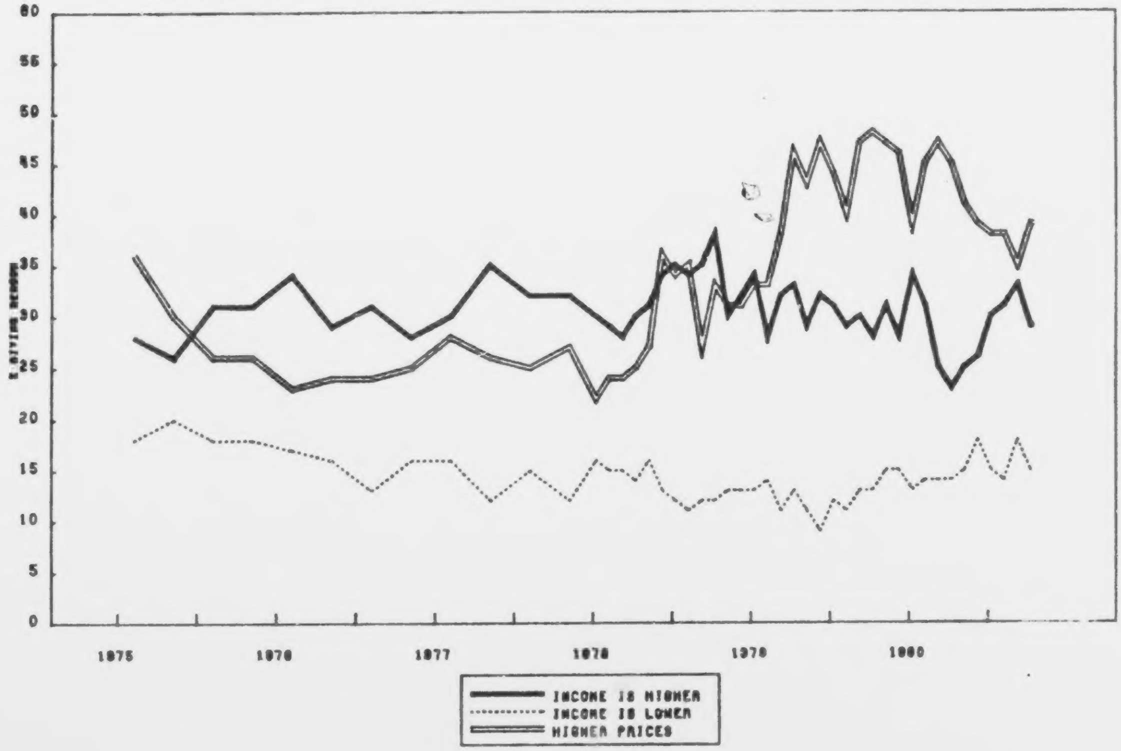

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	28%	31%	27%	34%	31%	25%	23%	25%	26%	30%	31%	33%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	15	14	13	14	14	14	15	18	15	14	18	15
Higher prices	48	47	44	39	45	47	45	41	39	38	38	35	39

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

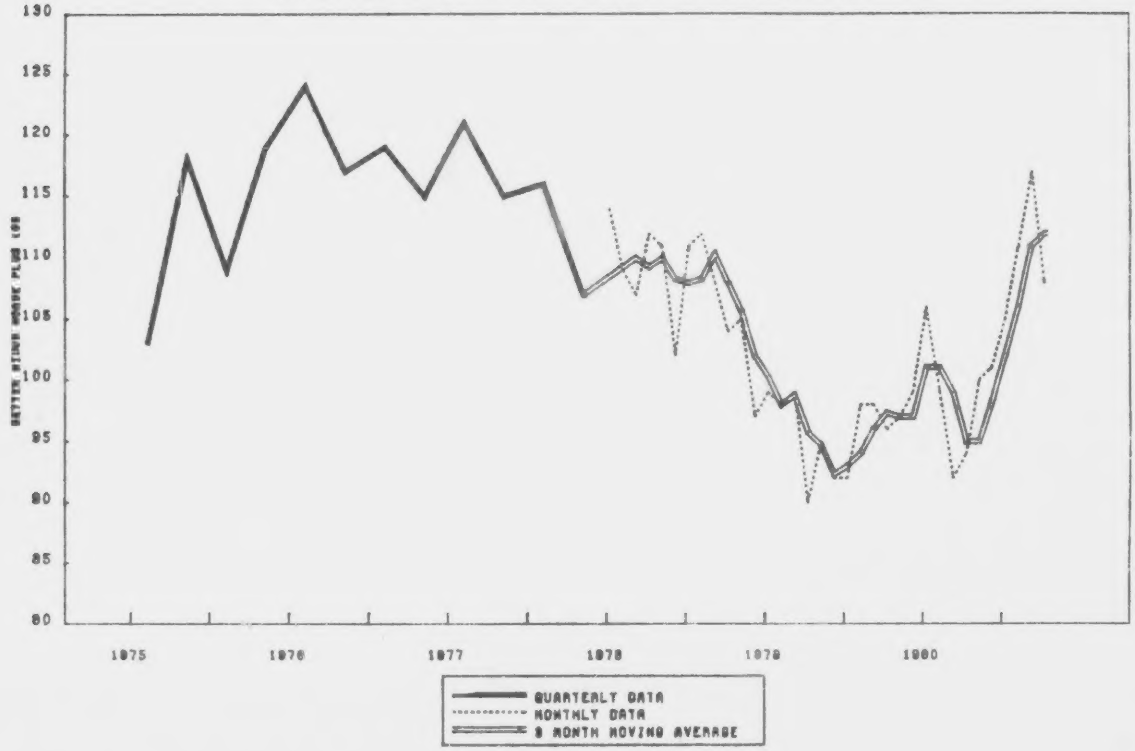

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

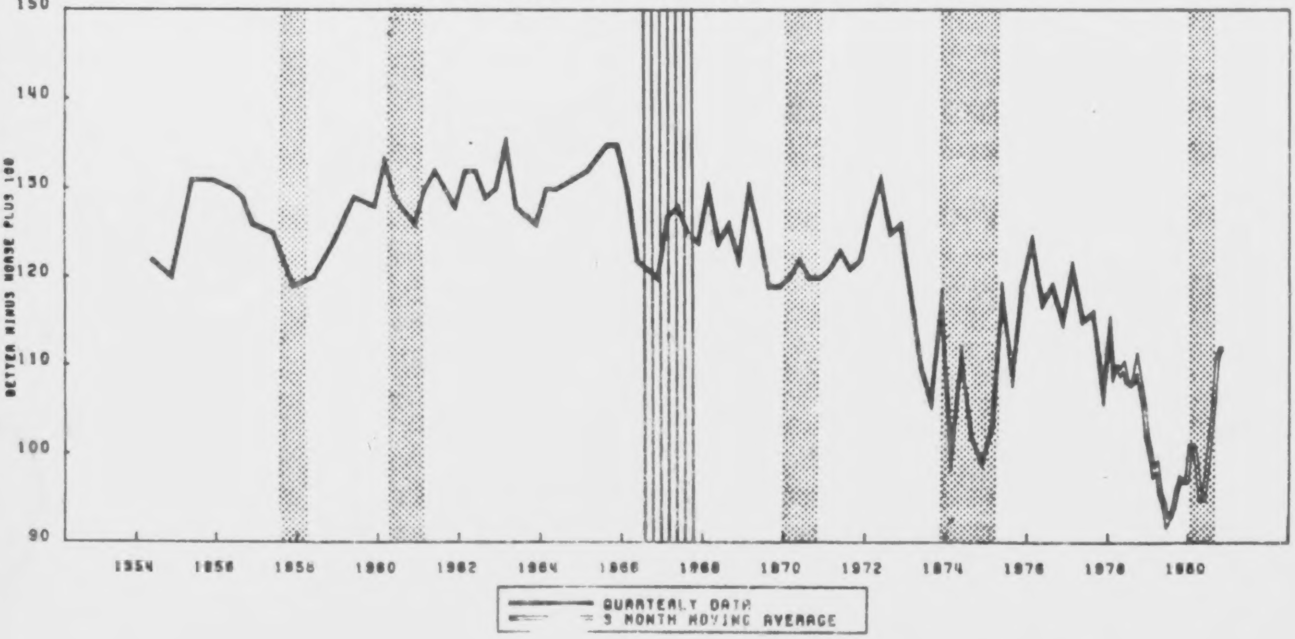

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
BETTER OFF	24%	21%	26%	28%	25%	20%	25%	27%	26%	26%	30%	34%	25%
SAME	45	53	45	46	45	47	42	43	46	48	48	45	50
WORSE OFF	28	24	25	22	26	28	31	27	25	21	19	17	17
DK,NA	3	2	4	4	4	5	2	3	3	5	3	4	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

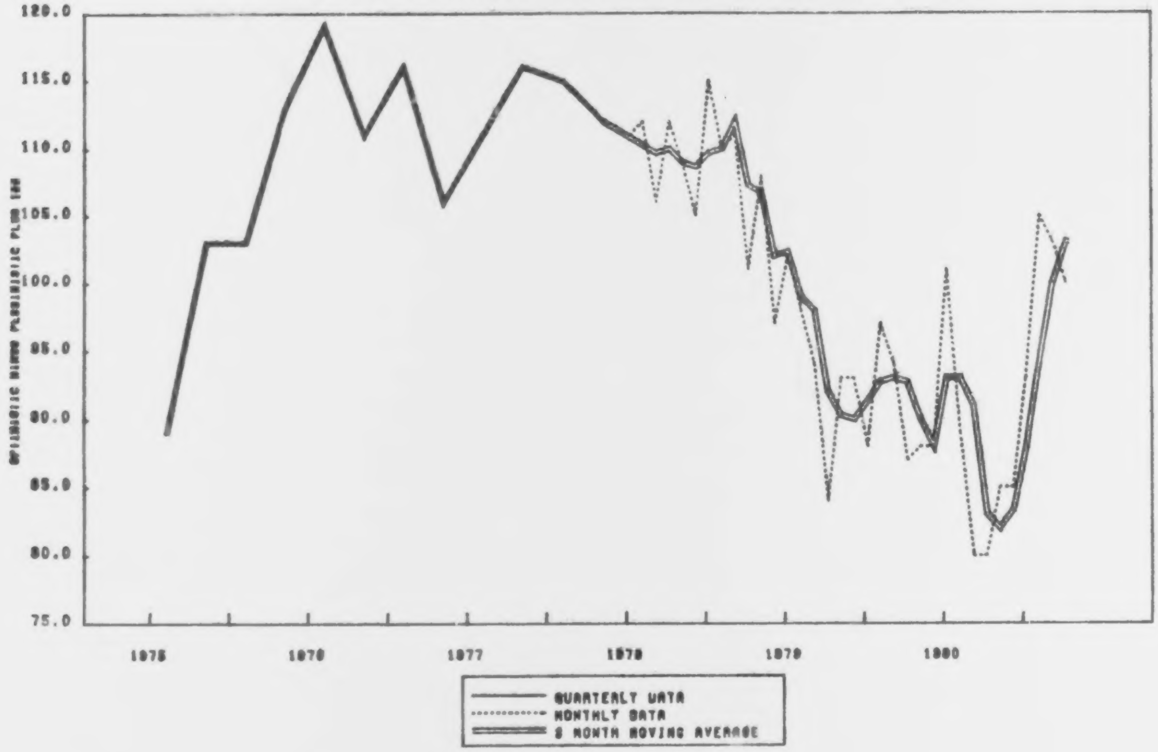

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

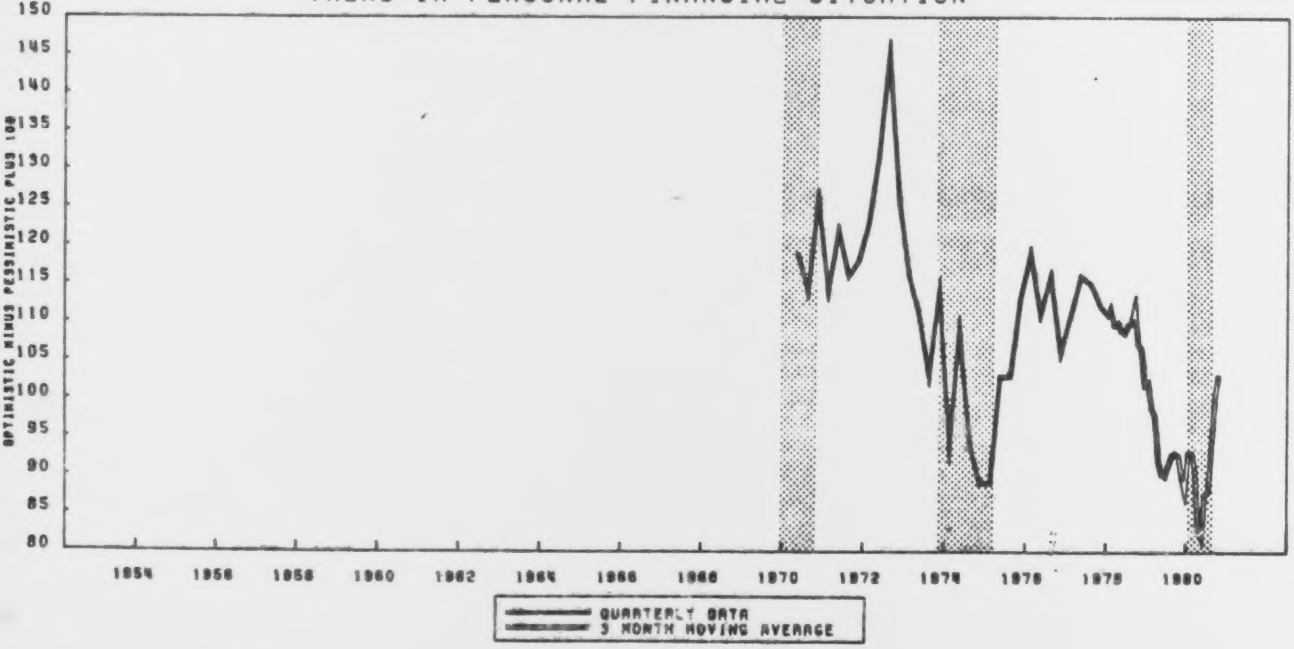

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	11%	12%	15%	13%	7%	8%	11%	10%	12%	12%	14%	12%
Intermittant increase (b)	18	19	18	21	19	16	16	17	16	19	22	19	20
Remain unchanged (c)	14	16	14	16	12	15	14	12	14	14	16	15	18
Intermittant decline (d)	23	25	23	20	25	27	23	27	27	28	17	21	21
Continuous decline (e)	19	16	18	14	18	17	21	16	14	10	12	9	11
Mixed change (f)	12	10	11	10	10	13	16	14	15	11	18	16	10
DK,NA	3	3	4	4	3	5	2	3	4	6	3	6	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
EXPECT INCREASE:													
1-4%	na	5%	na	na	6%	na	5%	6%	5%	5%	6%	7%	8%
5%		8			8		8	7	7	8	10	7	7
6-9%		14			14		14	12	13	11	15	16	15
10-24%		19			20		23	24	25	20	20	21	21
25% or more		6			9		7	6	8	5	6	5	7
DK how much up		8			7		7	8	8	10	9	10	10
EXPECT SAME		28			24		25	22	21	21	21	21	21
EXPECT DOWN		8			10		9	13	12	18	11	10	9
DK,NA		4			2		2	2	1	2	2	3	2
TOTAL		100%			100%		100%	100%	100%	100%	100%	100%	100%
CASES		1327			1019		719	703	688	668	658	682	685

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

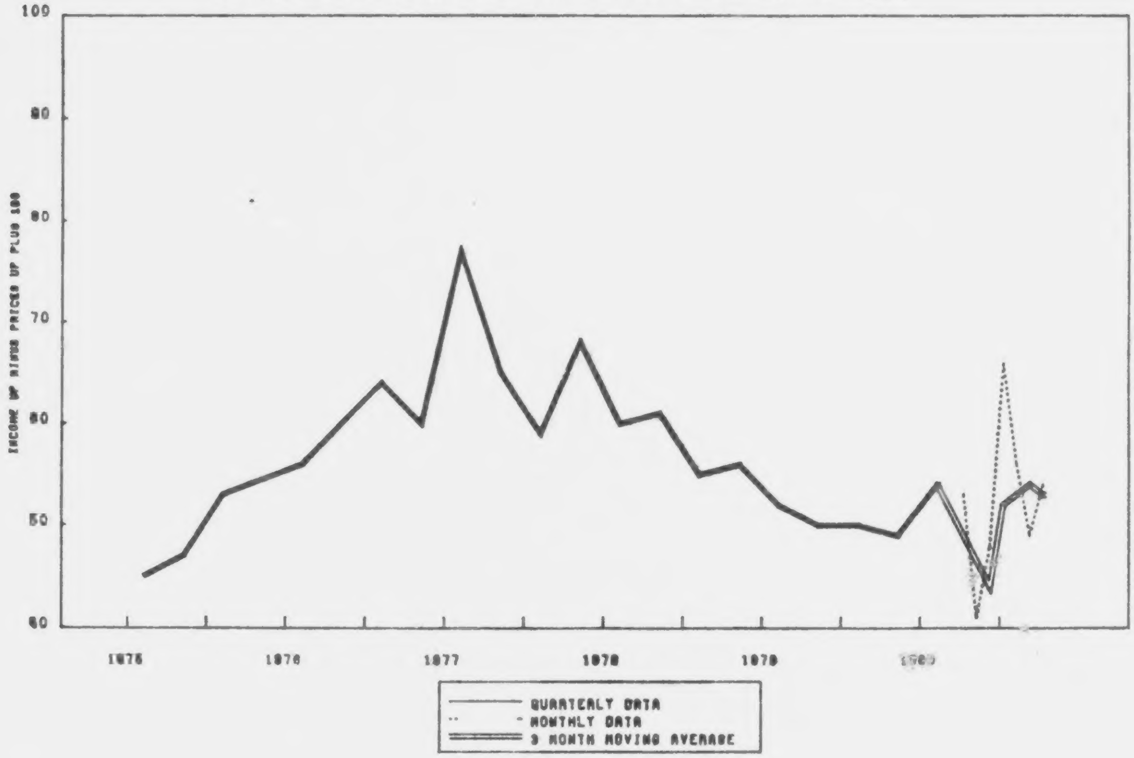

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
INCOME UP MORE	na	12%	na	na	13%	na	11%	8%	11%	12%	13%	12%	13%
INCOME UP SAME		23			27		22	22	25	30	29	24	25
PRICES UP MORE		63			59		66	67	63	56	57	63	59
DK,NA		2			1		1	3	1	2	1	1	3
TOTAL		100%			100%		100%	100%	100%	100%	100%	100%	100%
CASES		1327			1019		719	703	688	668	658	682	685

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

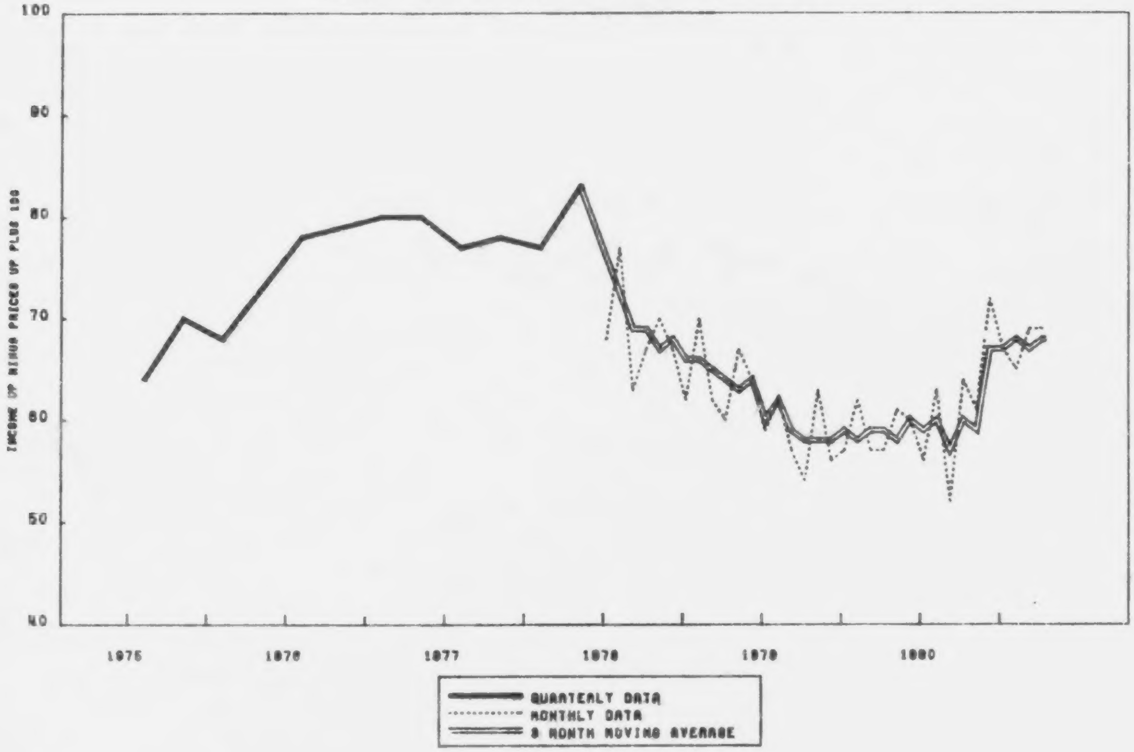

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
INCOME UP MORE	9%	10%	11%	8%	14%	8%	12%	12%	14%	12%	11%	14%	12%
INCOME UP SAME	35	38	34	36	33	32	37	34	41	38	40	38	42
PRICES UP MORE	52	49	51	52	51	56	48	51	42	45	46	45	43
DK,NA	4	3	4	4	2	4	3	3	3	5	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PPICE COMPARISON

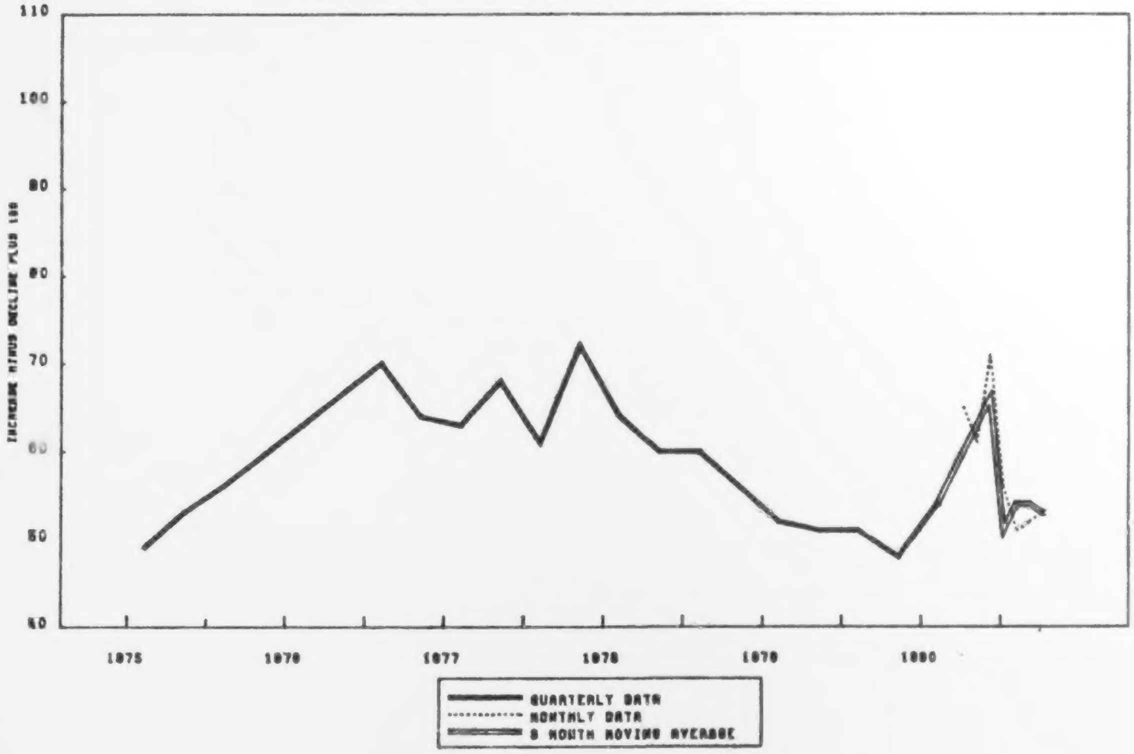

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	na	4%	na	na	7%	na	4%	2%	5%	5%	3%	5%	6%
Intermittant increase (b)		8			8		8	9	8	9	11	9	6
Remain unchanged (c)		14			16		13	11	16	17	17	14	18
Intermittant decline (d)		22			19		24	22	26	23	22	23	25
Continuous decline (e)		42			42		41	44	35	35	37	39	34
Mixed change (f)		6			6		6	6	7	5	6	6	7
DK,NA		4			2		4	6	3	6	4	4	4
TOTAL		100%			100%		100%	100%	100%	100%	100%	100%	100%
CASES		1327			1019		719	703	688	668	658	682	685

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

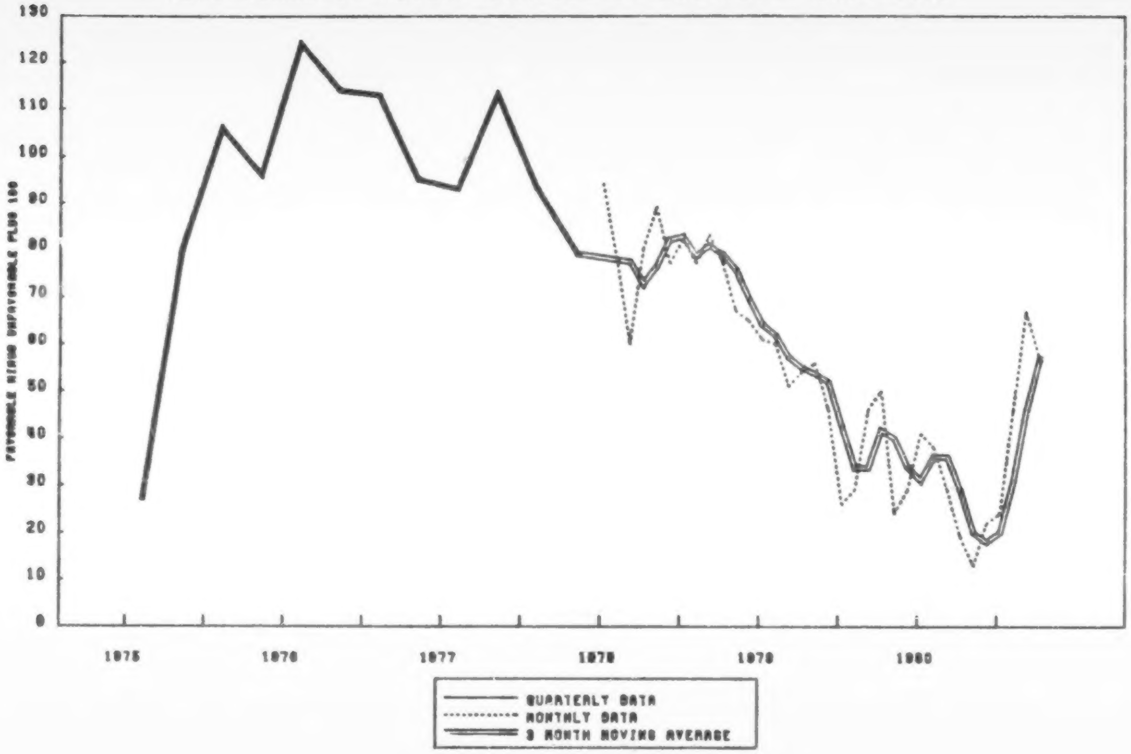

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

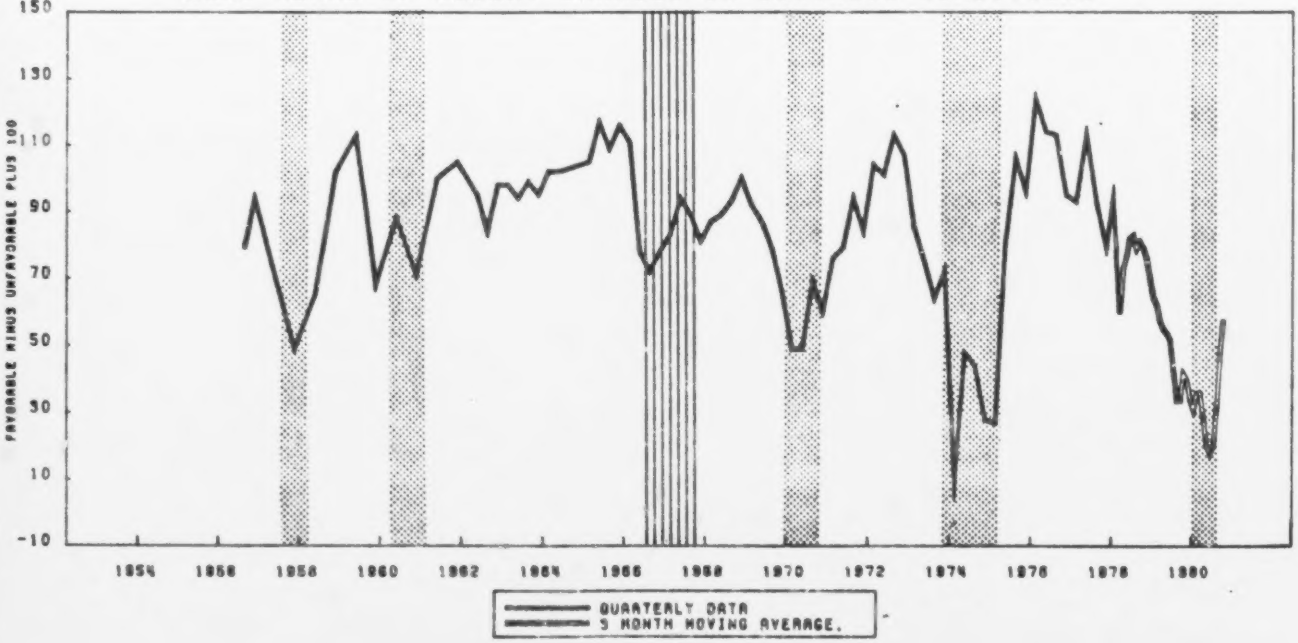

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
FAVORABLE NEWS	13%	11%	11%	17%	14%	11%	10%	10%	15%	19%	24%	30%	29%
UNFAVORABLE NEWS	63	87	79	76	76	82	91	97	93	95	78	63	72
NO MENTIONS	47	38	41	39	41	41	35	30	29	30	34	38	33

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
FAVORABLE NEWS:													
Government; elections	1%	1%	*	*	1%	1%	1%	*	1%	*	1%	2%	1%
Employment	4	3	4	6	5	3	3	1	3	4	7	7	10
Consumer demand high	1	*	1	1	1	1	1	*	1	1	1	3	3
Prices are low	1	1	*	1	1	*	1	1	1	1	*	1	2
Credit is easy	*	*	1	1	1	*	*	5	7	7	8	7	3
UNFAVORABLE NEWS:													
Government; elections	2	3	3	4	3	3	3	4	2	4	3	1	4
Unemployment	15	16	22	18	19	14	21	40	50	43	31	25	26
Consumer demand low	7	6	10	8	10	8	9	10	9	12	12	8	8
Prices are high	13	16	10	16	14	17	17	11	8	12	13	10	10
Credit is tight	9	20	14	7	9	22	24	16	9	5	5	8	12
Energy crisis	3	5	4	4	4	1	1	*	1	1	1	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

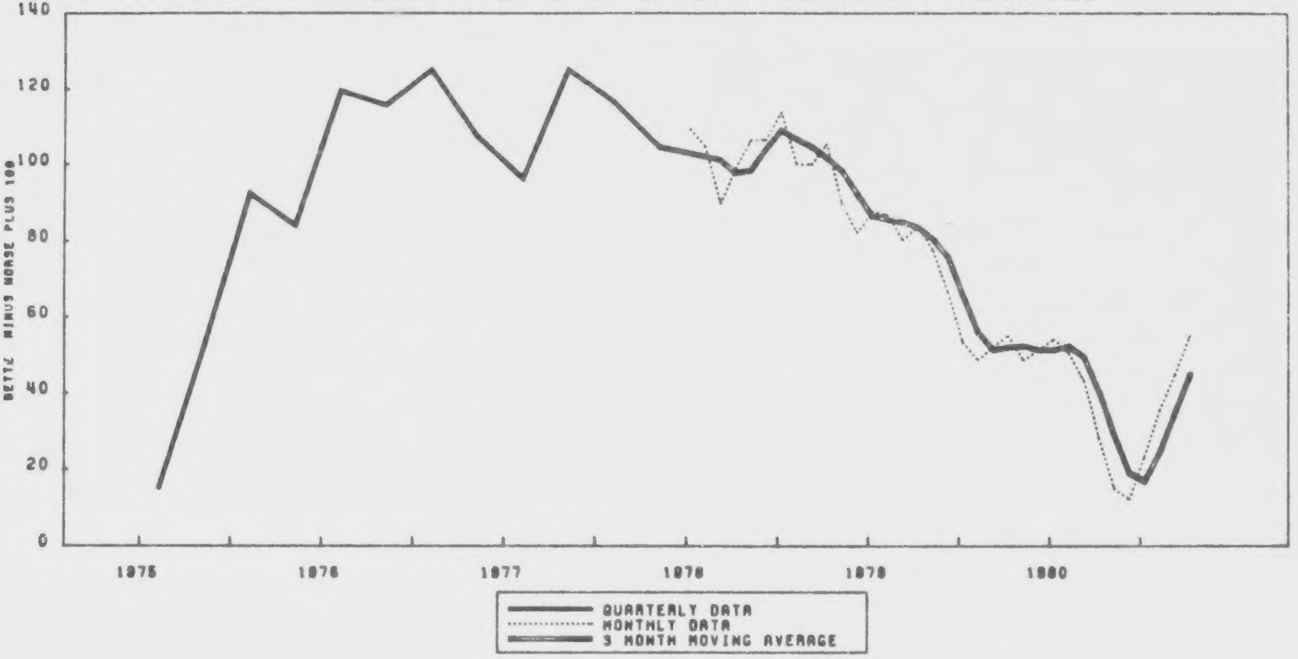

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

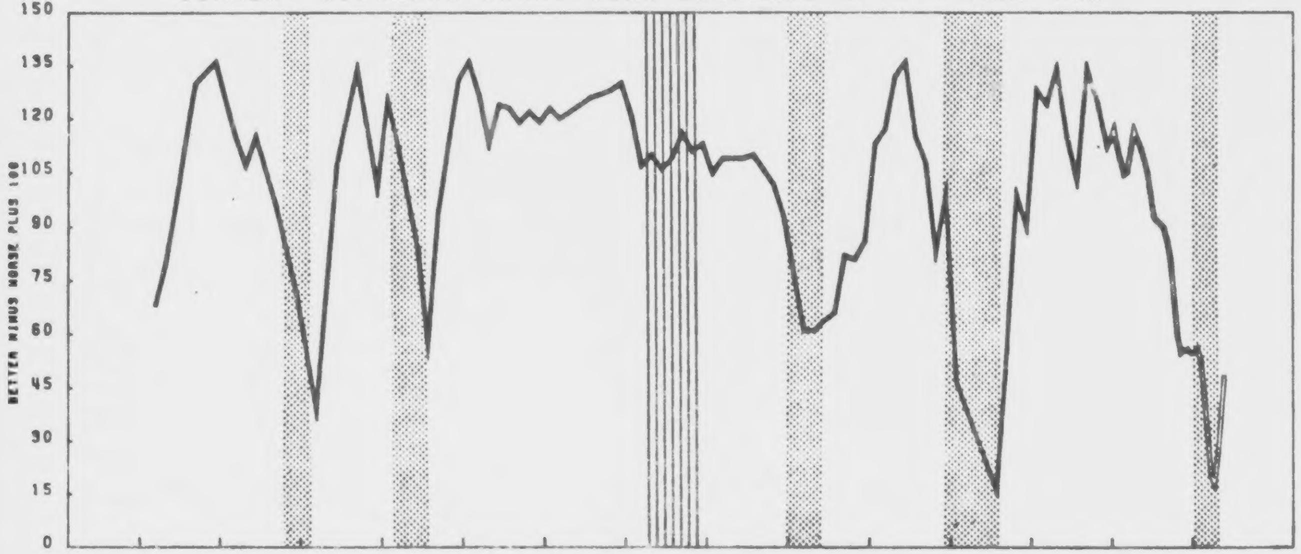

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
BETTER NOW	22%	19%	21%	21%	21%	15%	10%	6%	4%	10%	15%	18%	23%
SAME	11	13	12	14	10	12	10	4	5	4	7	10	10
WORSE NOW	63	66	65	62	67	69	79	90	90	85	77	70	64
DK,NA	4	2	2	3	2	4	1	*	1	1	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

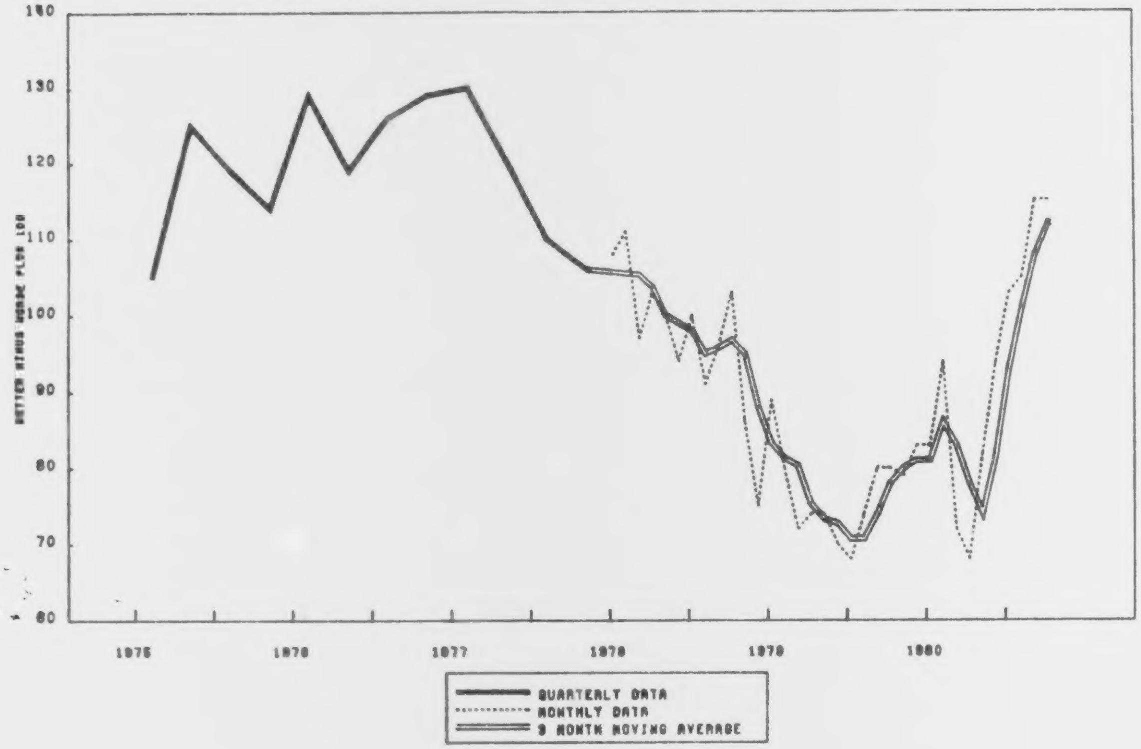

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

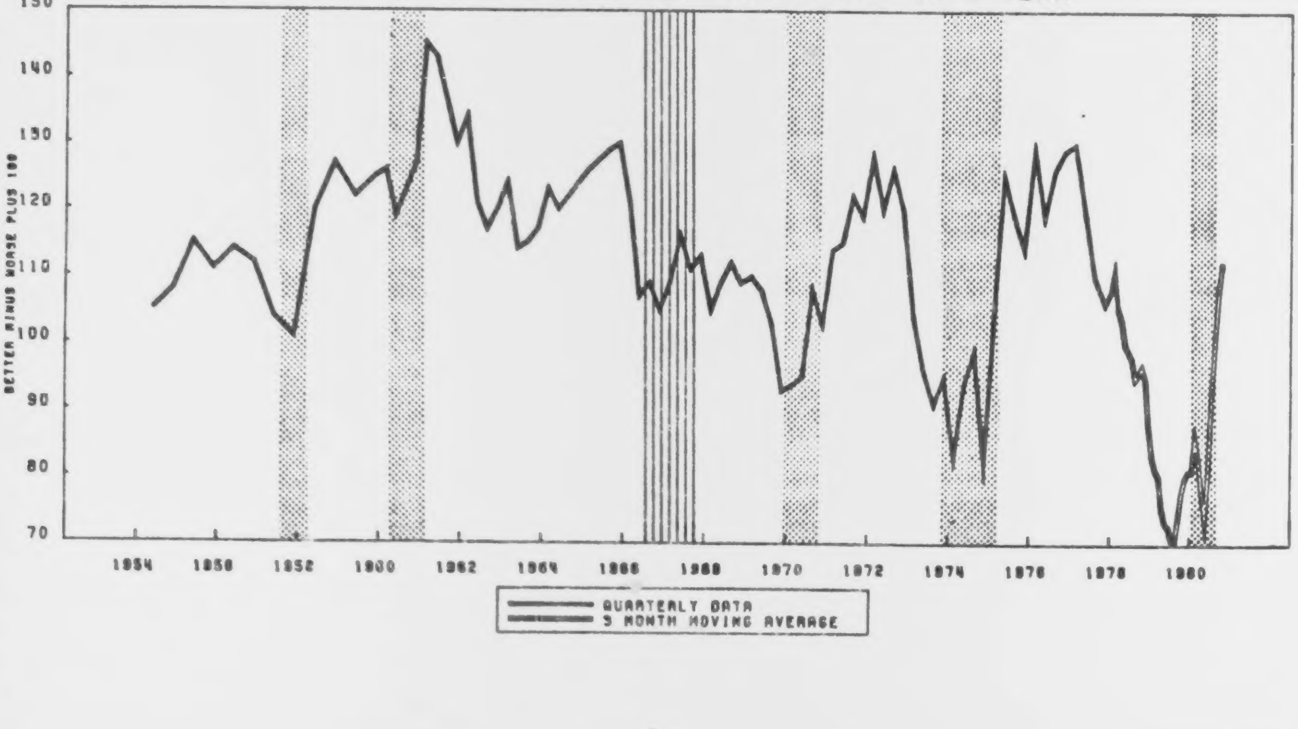

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
BETTER	15%	15%	17%	17%	21%	14%	14%	21%	26%	28%	28%	32%	33%
SAME	47	47	43	45	49	42	37	37	38	43	44	47	44
WORSE	35	36	36	35	27	42	46	39	32	25	23	17	18
DK,NA	3	2	4	3	3	2	3	3	4	4	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
FAVORABLE REASONS:													
Government; elections	na	9%	na	na	11%	na	8%	11%	10%	15%	14%	15%	16%
Employment		2			4		2	2	3	4	4	5	5
Higher consumer demand		2			3		1	3	1	2	3	4	5
Lower prices		2			1		3	2	3	1	1	3	3
Easier credit		2			1		1	4	5	2	3	3	2
UNFAVORABLE REASONS:													
Government; elections		8			13		15	7	7	12	7	7	11
Unemployment		9			5		11	14	12	10	7	6	4
Higher consumer demand		7			7		6	5	5	6	7	3	2
Higher prices		23			16		25	14	10	9	14	10	10
Tighter credit		7			3		12	6	4	2	2	2	2
Energy crisis		6			6		3	2	1	1	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

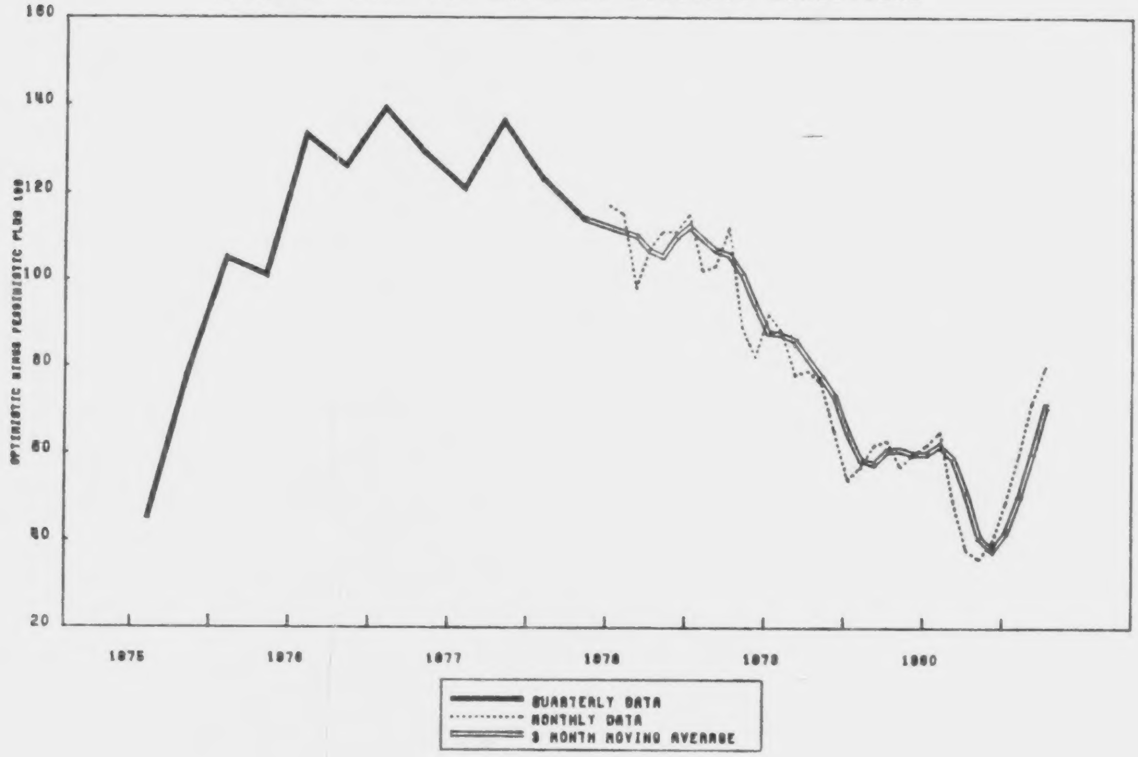

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

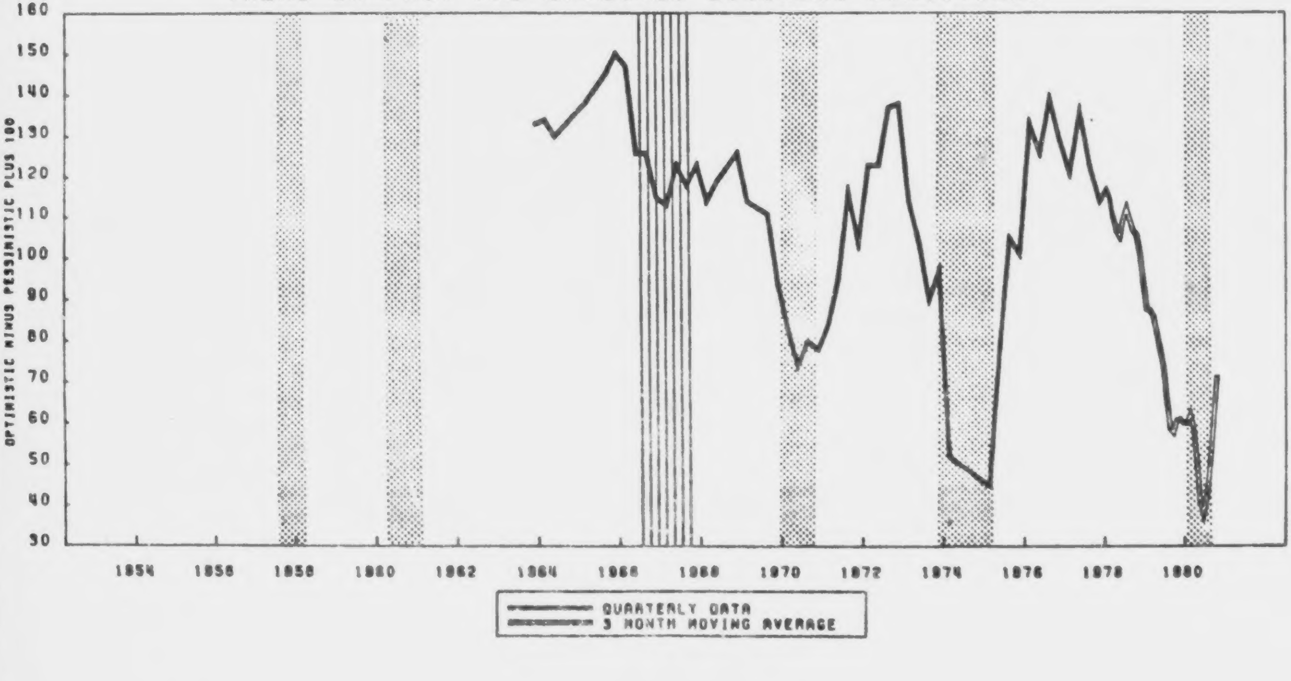

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
TREND:													
Continuous increase (a)	7%	4%	5%	6%	8%	3%	4%	1%	1%	2%	5%	9%	9%
Intermittant increase (b)	12	12	12	10	12	9	6	5	4	7	9	10	[illegible]
Remain unchanged (c)	7	8	6	9	6	6	3	1	2	1	3	6	5
Intermittant decline (d)	31	30	29	30	33	31	32	34	35	37	35	33	28
Continuous decline (e)	26	29	28	24	22	32	41	36	30	23	19	14	14
Mixed change (f)	11	14	14	16	15	14	10	20	23	26	23	23	23
DK,NA	6	3	6	5	4	5	4	3	5	4	6	5	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

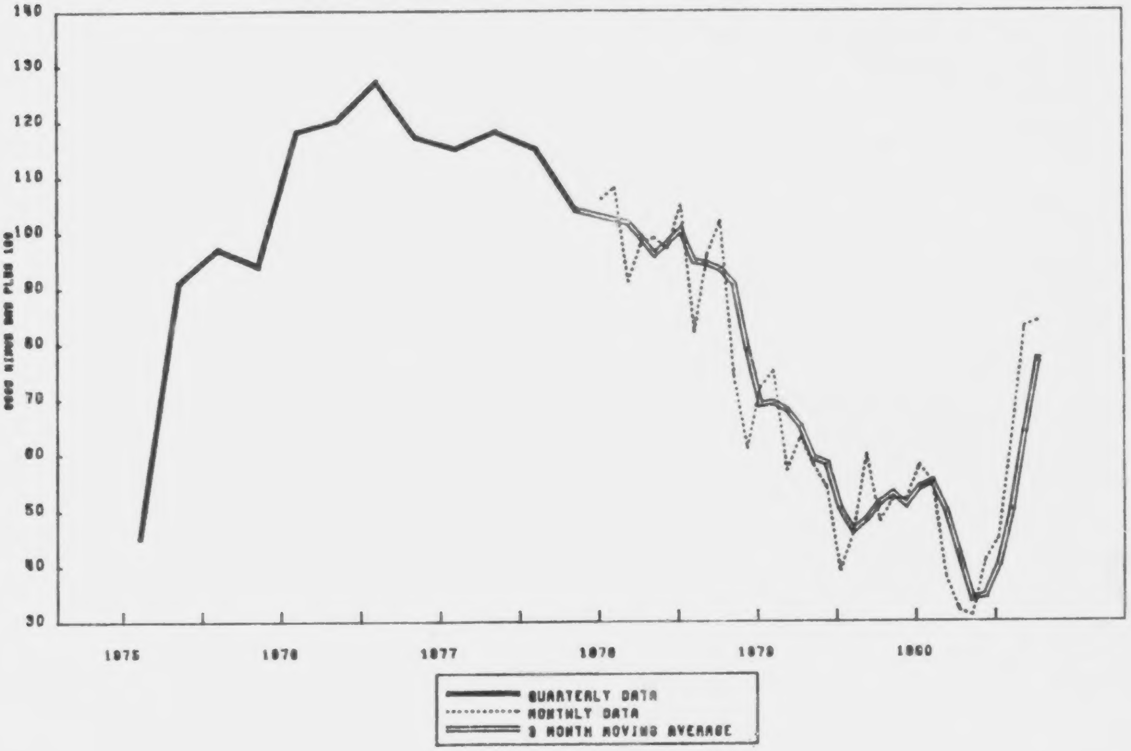

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

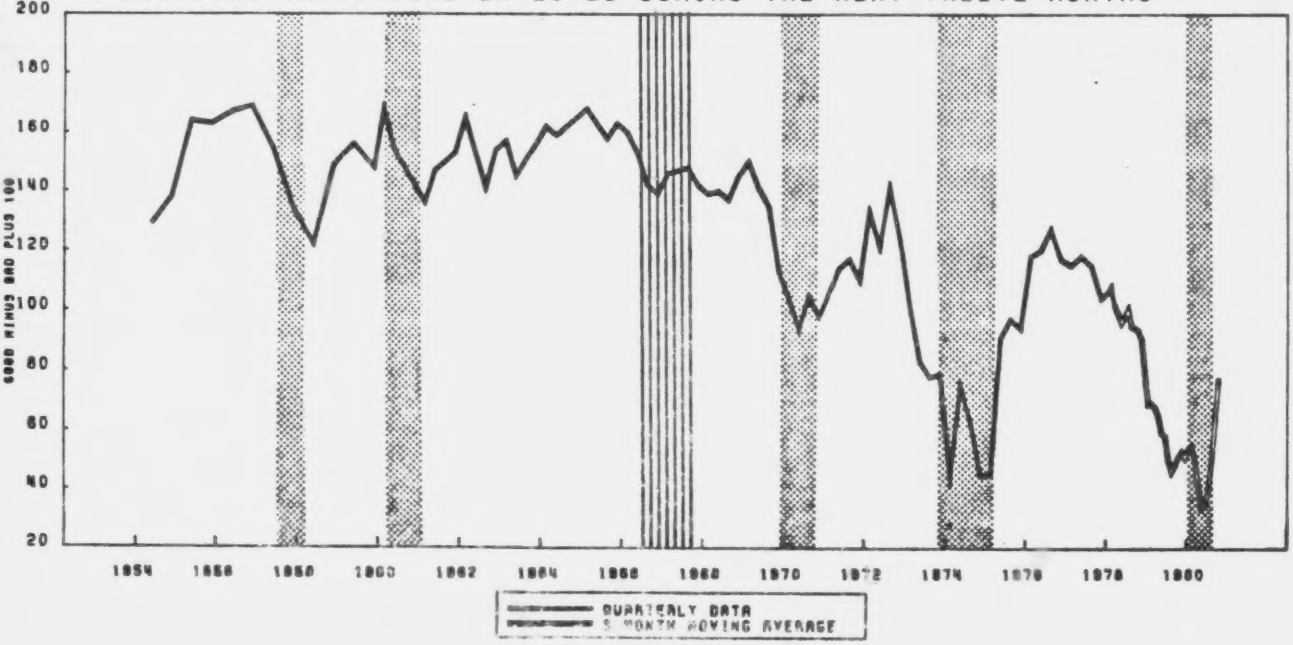

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIMES	18%	20%	19%	24%	22%	14%	11%	13%	18%	19%	25%	35%	33%
UNCERTAIN; GOOD & BAD	1	3	2	1	1	1	1	1	1	1	2	2	2
BAD TIMES	70	68	69	66	67	76	79	82	75	74	62	52	49
DON'T KNOW	5	4	4	4	5	4	4	3	4	4	7	7	8
NOT ASCERTAINED	6	5	6	5	5	5	5	1	2	2	4	4	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

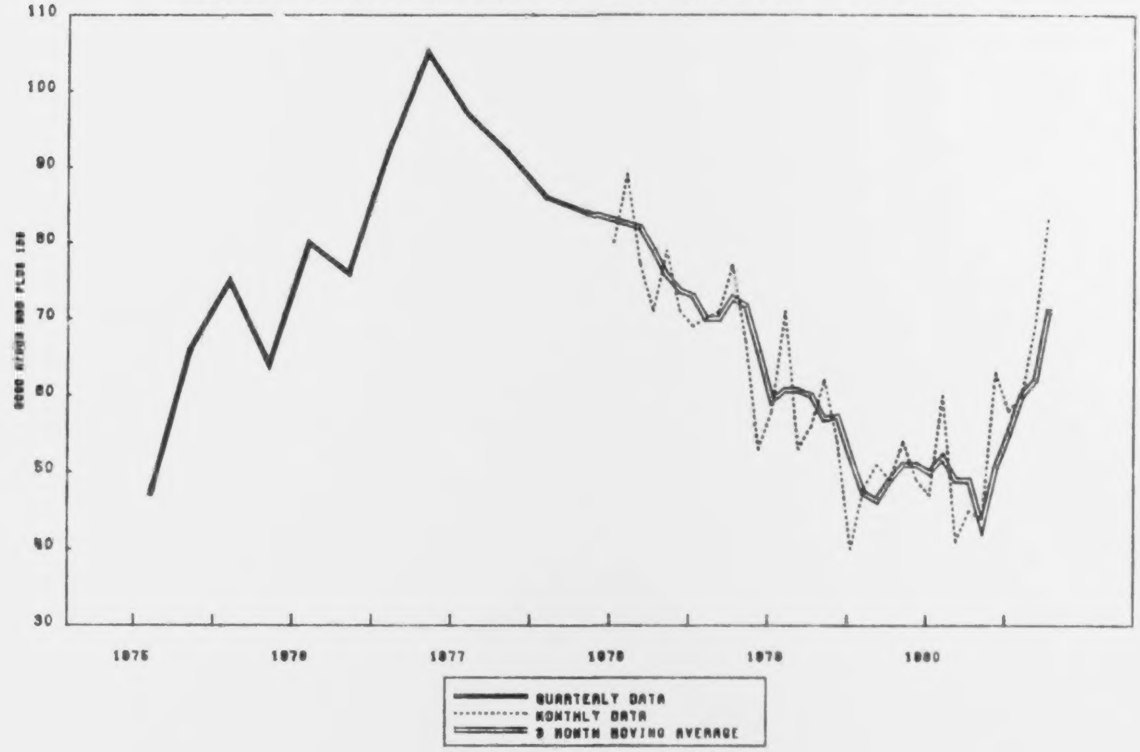

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

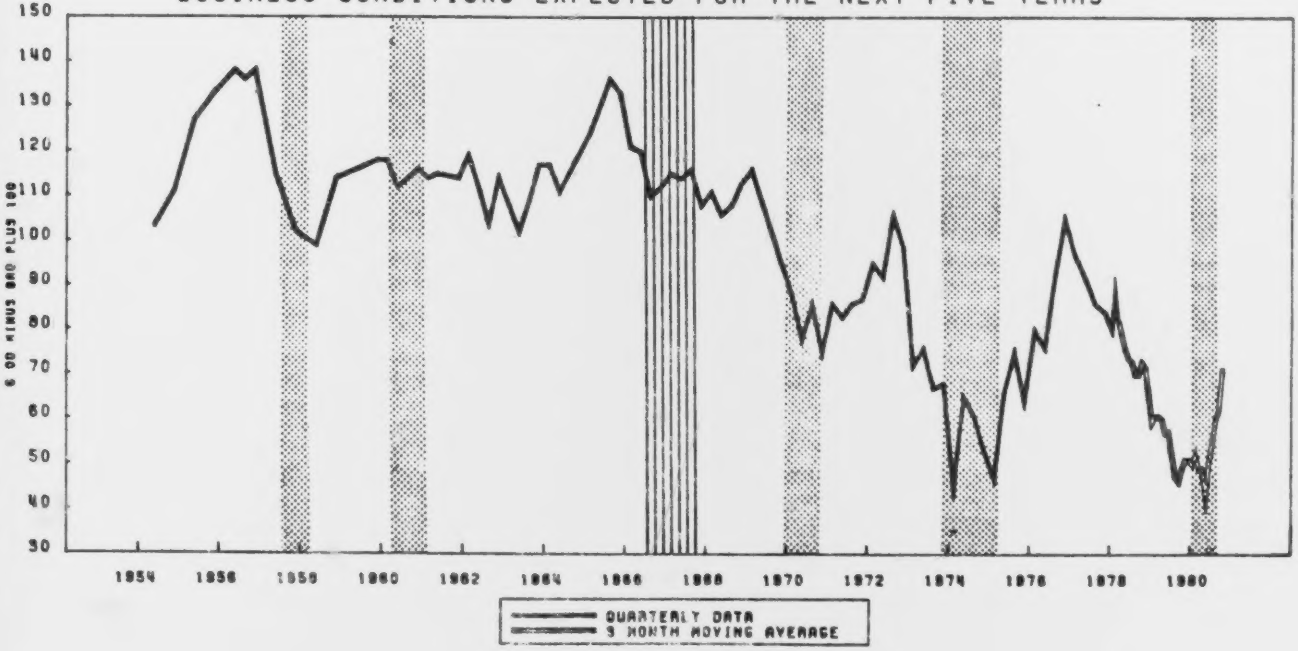

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIMES	16%	18%	15%	17%	21%	13%	14%	15%	22%	19%	19%	25%	27%
UNCERTAIN; GOOD & BAD	13	12	15	9	14	10	12	10	12	13	16	14	19
BAD TIMES	67	64	65	70	61	72	69	71	59	61	59	56	44
NOT ASCERTAINED	4	6	5	4	4	5	5	4	7	7	6	5	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

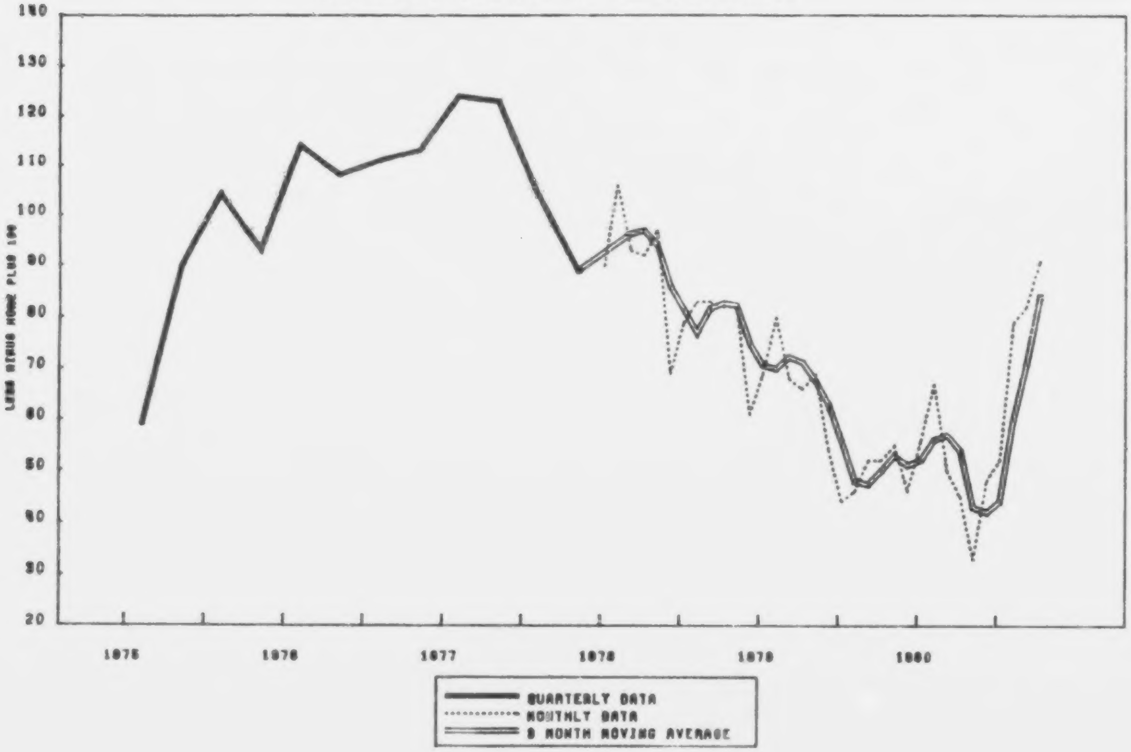

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

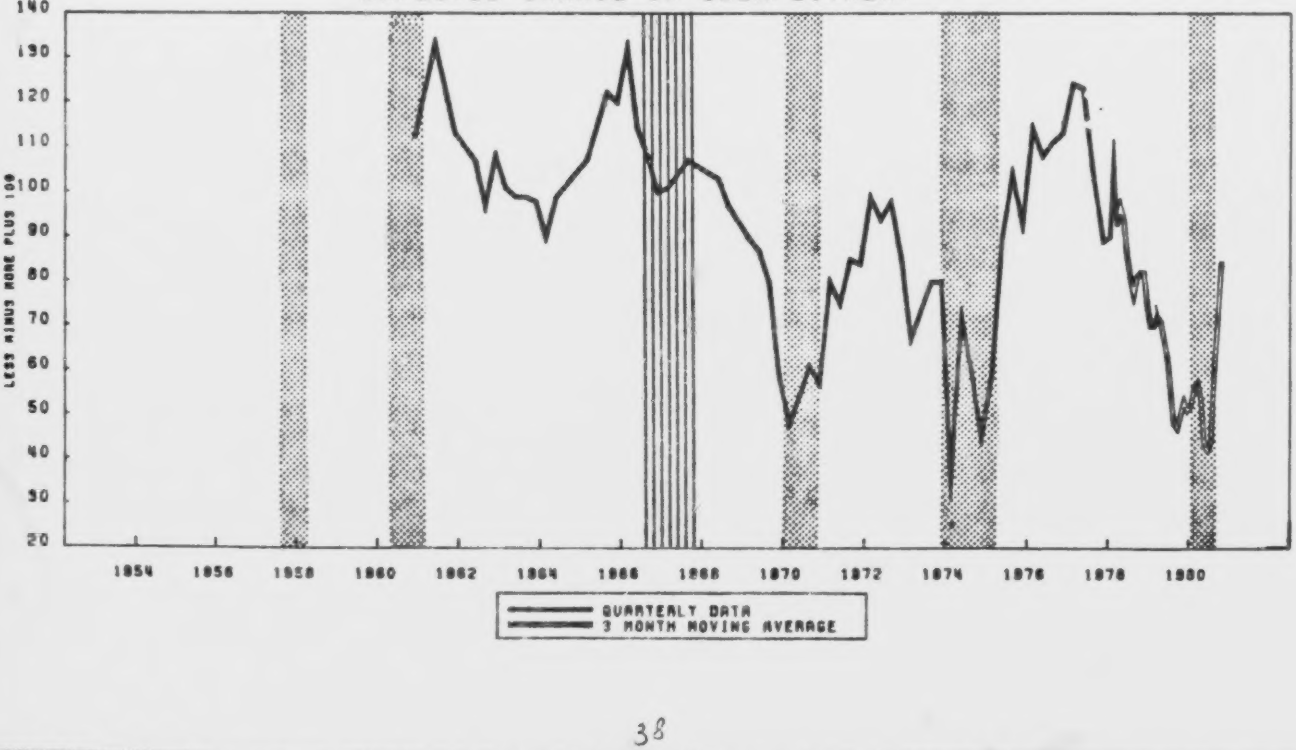

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
LESS	7%	8%	8%	9%	13%	7%	7%	5%	11%	11%	19%	22%	21%
SAME	36	36	30	34	38	35	29	23	25	30	38	36	46
MORE	55	54	61	54	46	57	62	72	63	59	40	40	30
DK,NA	2	2	1	3	3	1	2	*	1	*	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

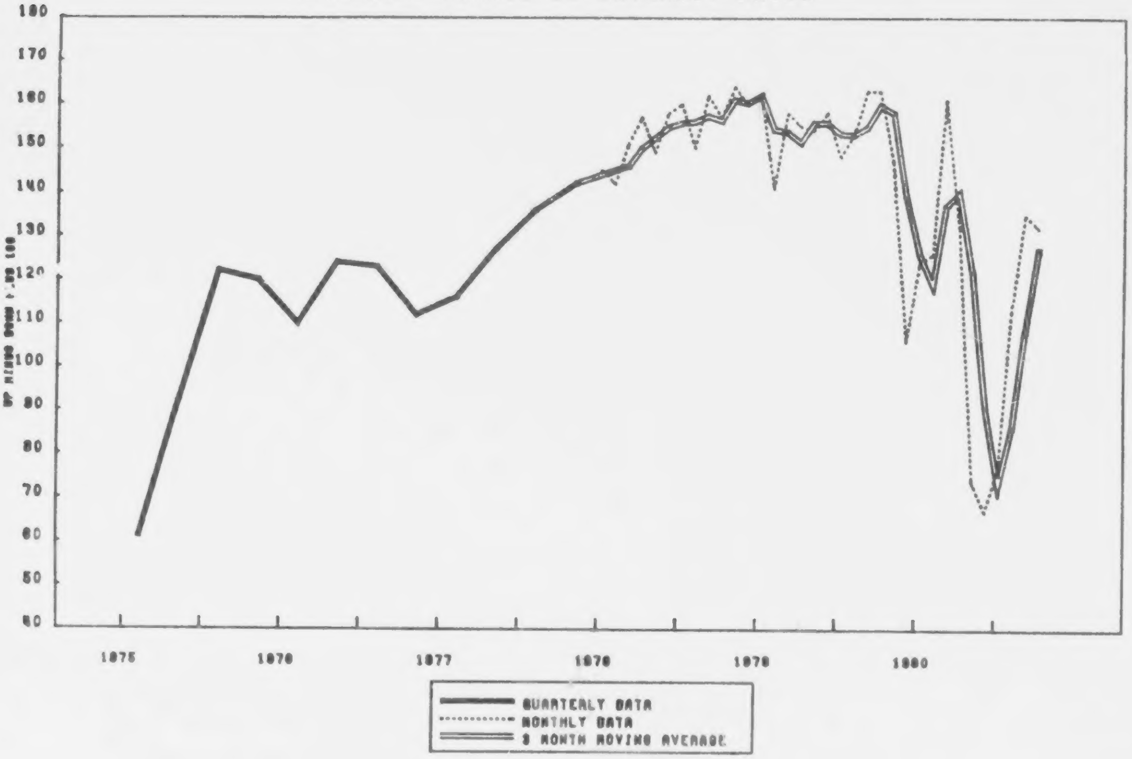

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

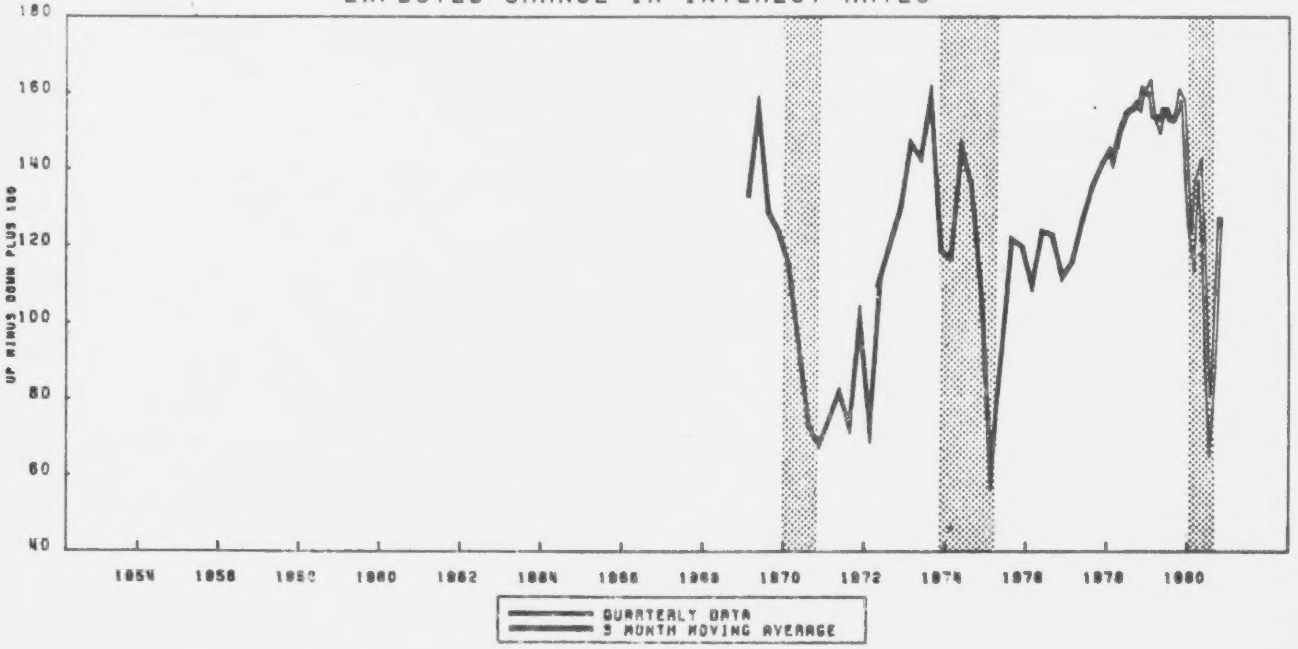

TABLE 21

EXPECTED CHANGE IN INTERESTS RATES

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GO UP	70%	62%	40%	45%	47%	71%	56%	26%	21%	21%	39%	53%	49%
STAY THE SAME	20	20	22	30	29	16	18	20	22	31	30	25	26
GO DOWN	7	15	34	21	21	10	24	52	54	44	26	18	17
DK,NA	3	3	4	4	3	3	2	2	3	4	5	4	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

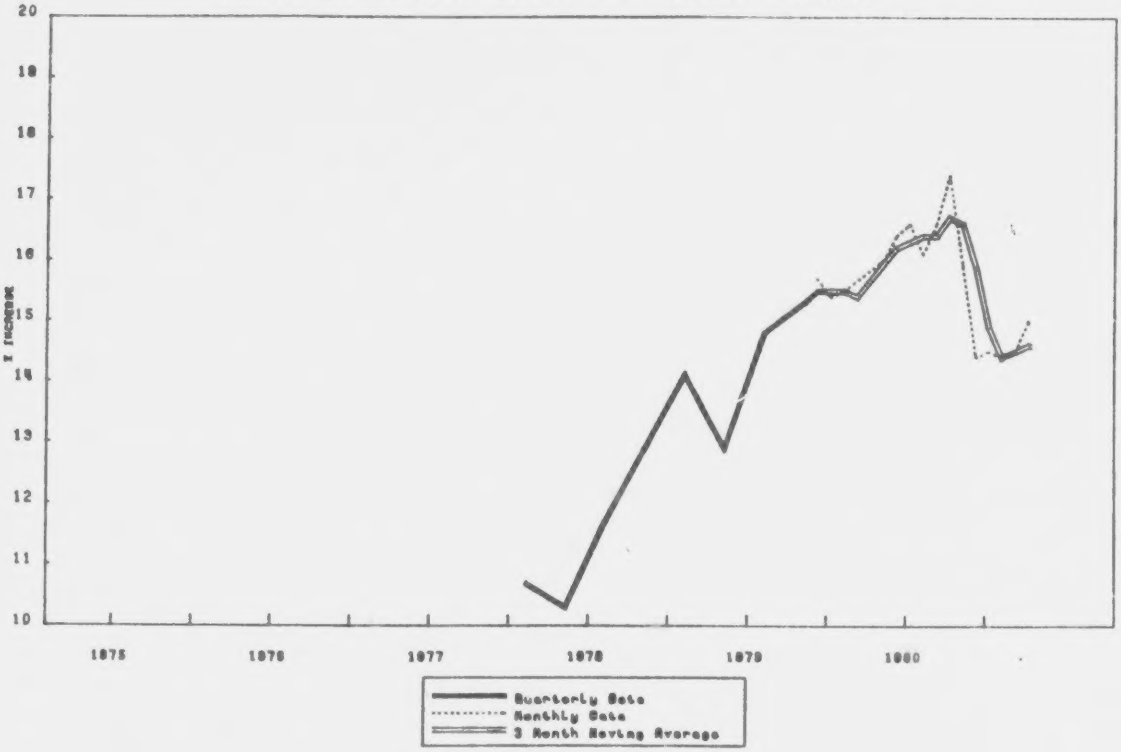

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
SAME OR DOWN	na	2%	1%	1%	3%	2%	2%	5%	6%	4%	4%	4%	2%
GONE UP BY:													
1-2%		1	3	1	1	2	2	1	1	3	2	2	3
3-4%		3	3	4	3	5	3	4	3	5	6	5	4
5%		5	5	6	6	6	5	5	6	7	8	7	11
6-9%		10	10	6	9	8	9	6	10	11	12	9	11
10-14%		31	33	32	28	25	24	27	25	22	20	24	23
15% or more		34	31	35	38	41	43	37	33	29	32	31	32
DK how much up		14	14	15	12	11	12	15	15	18	15	17	14
DK,NA		*	*	*	*	*	*	*	1	1	1	1	*
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE		16.0	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0
VARIANCE		162	188	176	149	167	179	175	140	168	160	151	169
CASES		1327	850	769	1019	707	719	703	688	668	658	682	685

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

na : Not available.

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

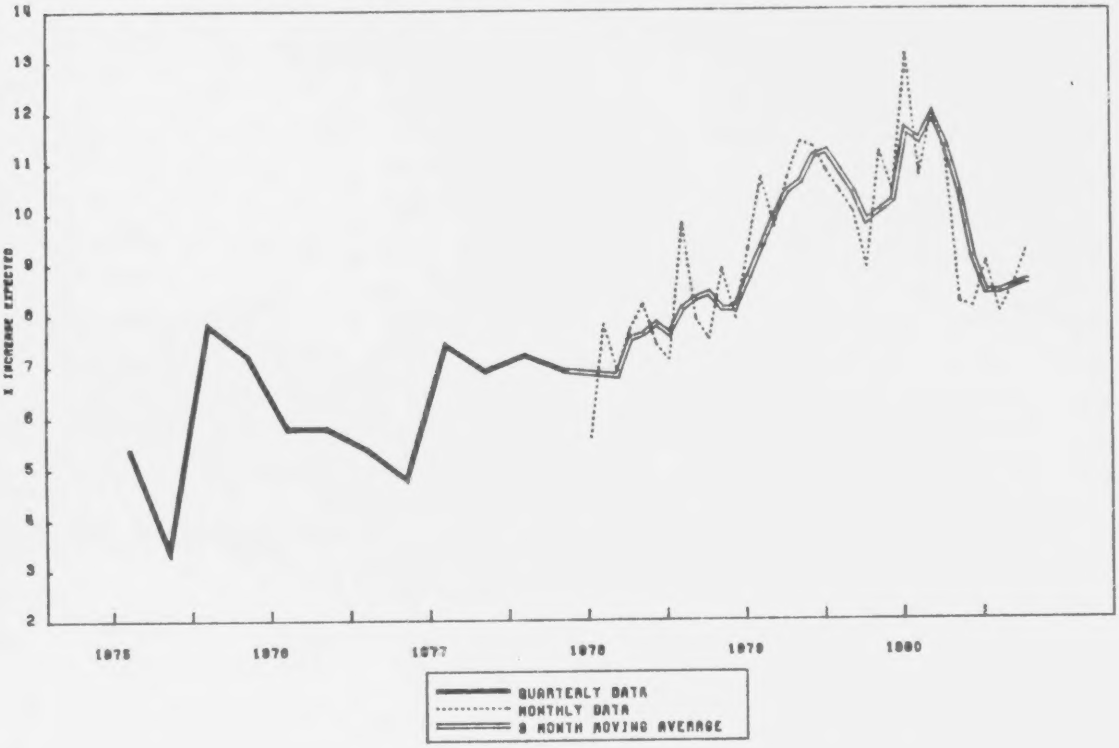

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

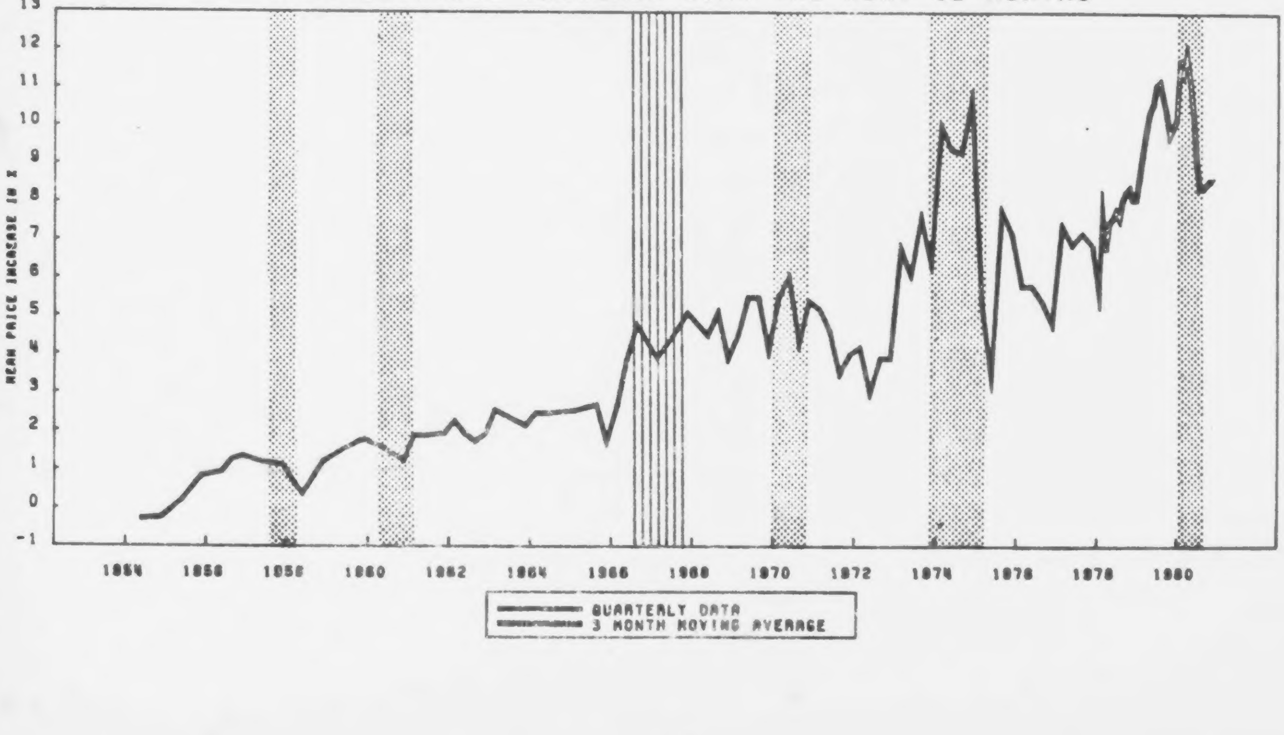

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
SAME OR DOWN	13%	12%	14%	9%	8%	13%	20%	31%	27%	22%	18%	17%	20%
WILL GO UP BY:													
1-2%	4	2	3	2	4	3	2	1	3	3	6	5	3
3-4%	6	5	4	4	4	4	3	4	6	5	7	5	6
5%	10	7	7	7	11	8	7	9	7	8	11	11	10
6-9%	14	13	13	12	12	9	8	9	10	10	12	10	10
10-14%	25	29	28	28	31	26	24	17	20	21	24	23	24
15% or more	11	19	19	25	19	27	25	18	14	15	10	13	16
DK how much up	16	12	9	11	10	7	9	10	10	13	11	13	9
DK,NA	1	1	3	2	1	3	2	1	3	3	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.9	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2
VARIANCE	71	111	103	139	84	122	125	92	89	95	71	68	100
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

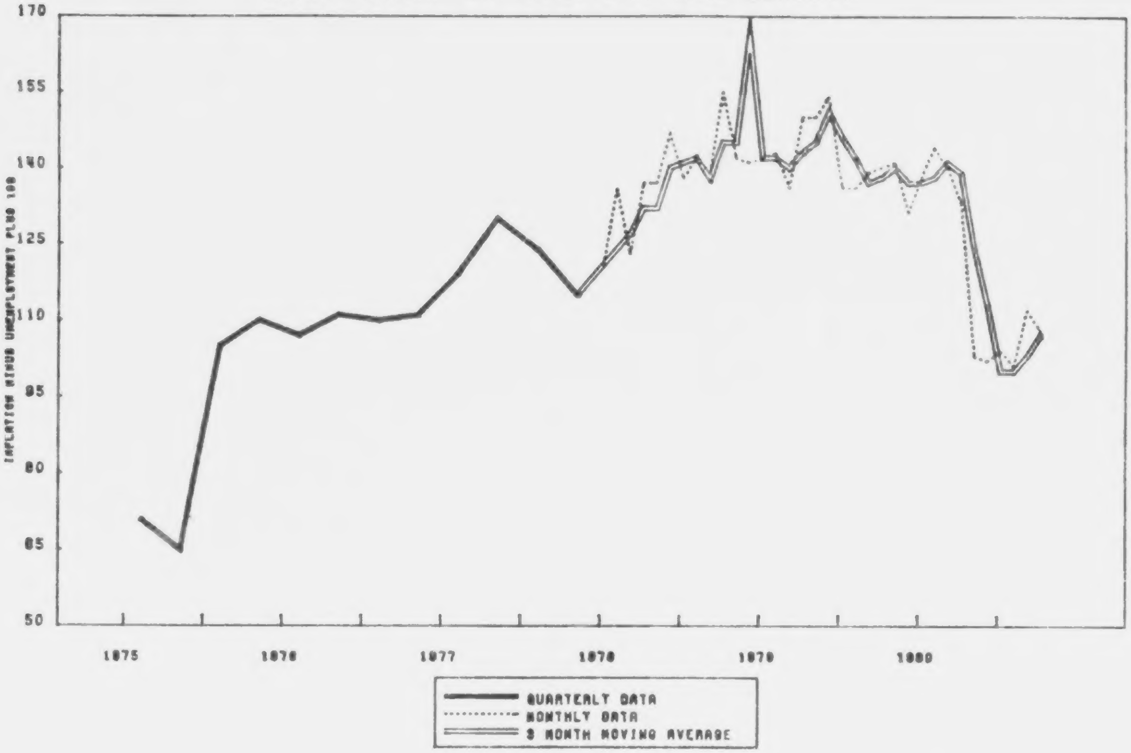

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

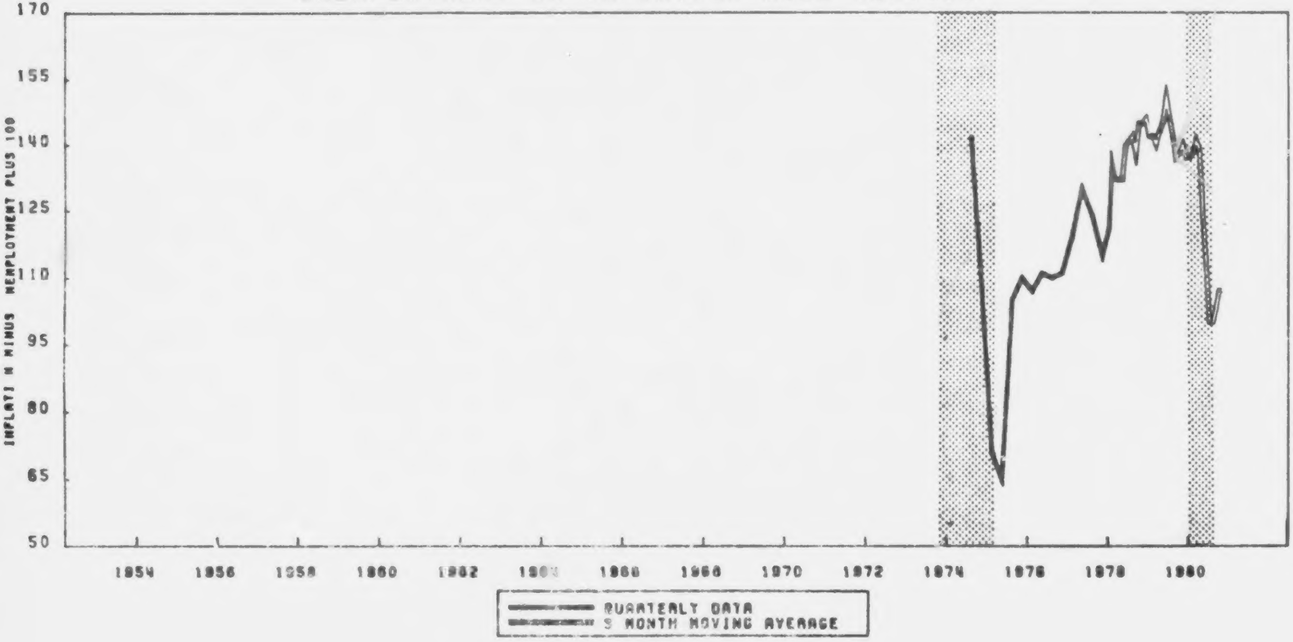

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
UNEMPLOYMENT	25%	24%	29%	26%	24%	25%	26%	40%	43%	45%	43%	38%	40%
BOTH EQUALLY SERIOUS	8	8	9	7	7	8	14	16	11	11	10	9	11
INFLATION	65	65	60	64	68	65	59	43	45	41	44	50	48
DK,NA	2	3	2	3	1	2	1	1	1	3	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

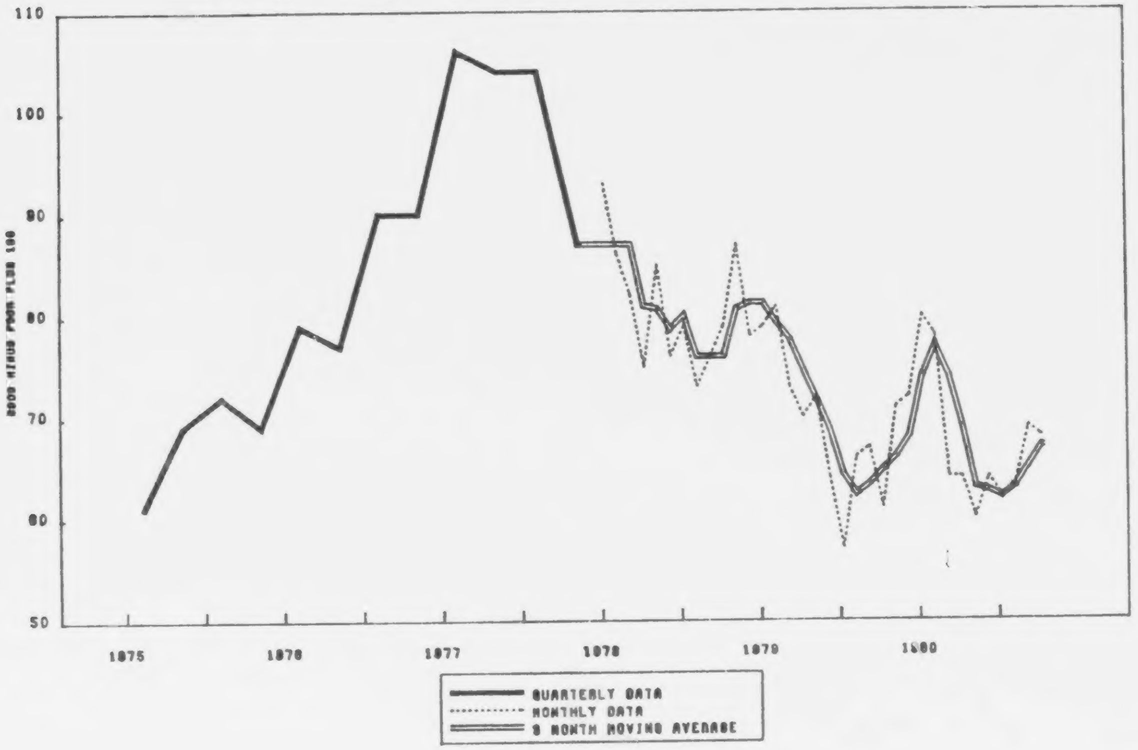

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

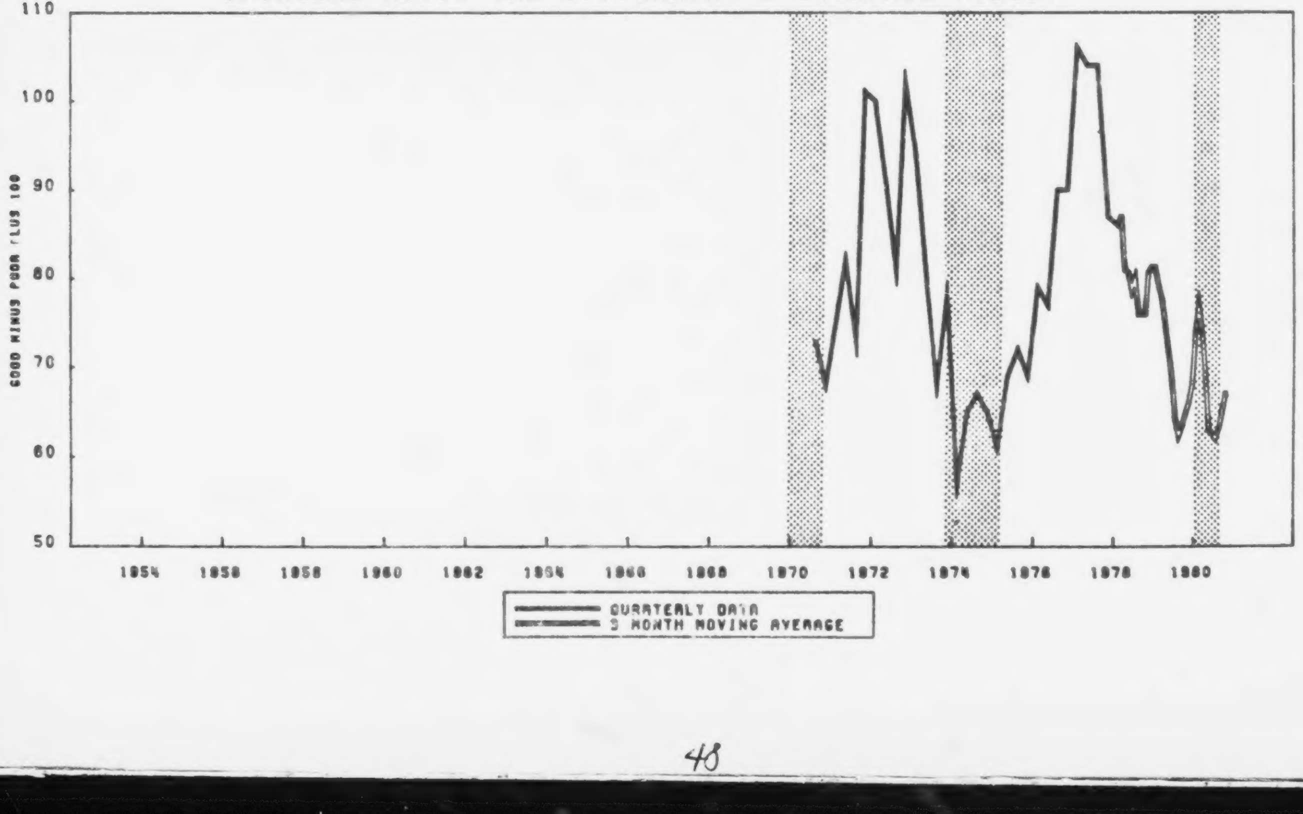

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
A GOOD JOB	6%	10%	9%	11%	12%	7%	6%	5%	10%	9%	8%	10%	8%
ONLY FAIR	46	47	49	54	51	46	48	48	40	41	45	46	50
A POOR JOB	45	39	38	31	34	43	42	45	46	47	45	41	40
DK,NA	3	4	4	4	3	4	4	2	4	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

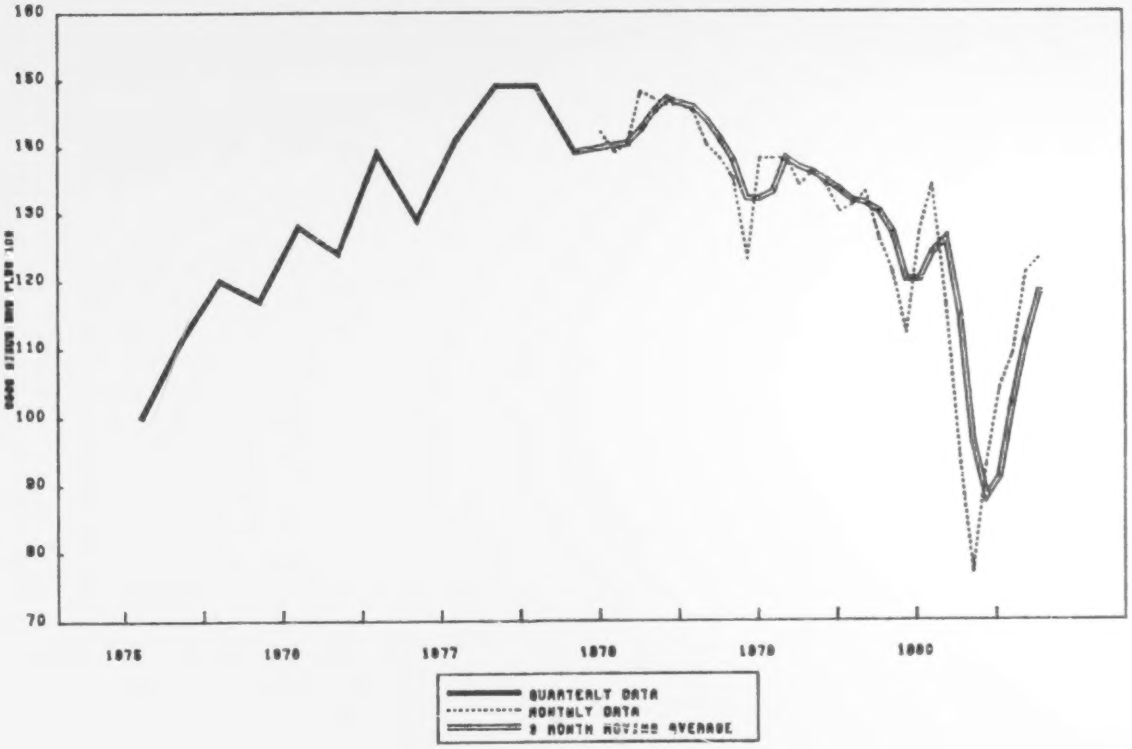

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

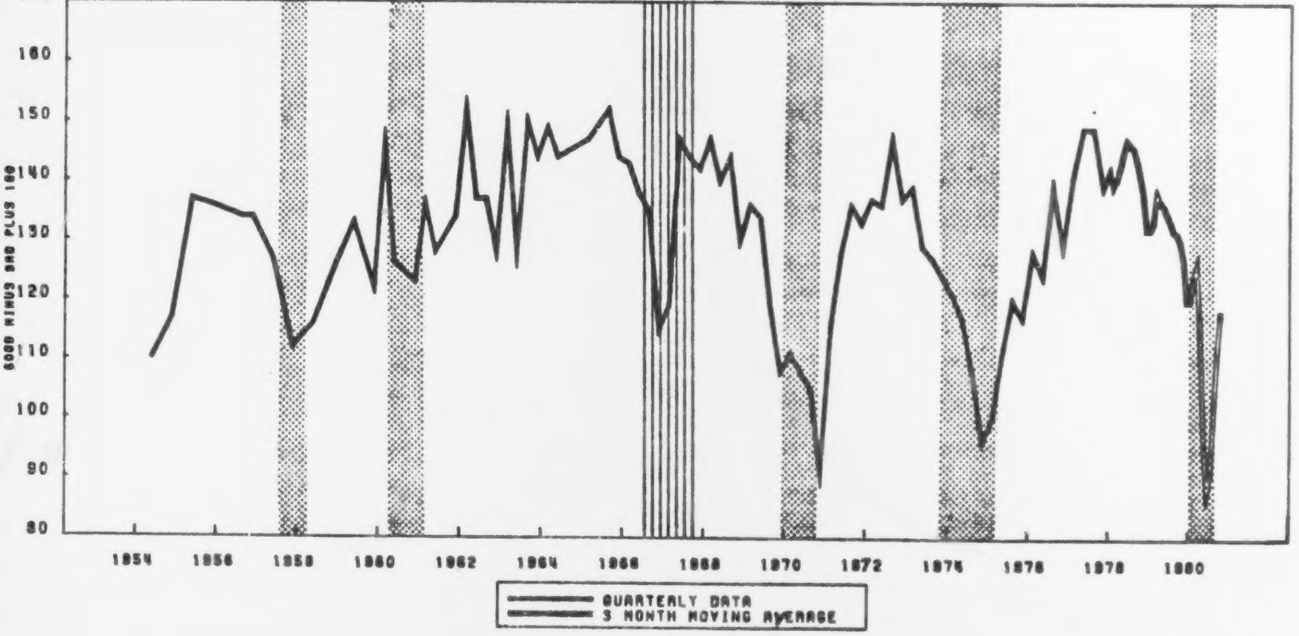

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY	58%	53%	52%	60%	60%	54%	41%	35%	41%	44%	47%	52%	55%
UNCERTAIN, DEPENDS	10	14	6	7	14	8	12	7	11	16	15	17	13
BAD TIME TO BUY	32	33	42	33	26	38	47	58	48	40	38	31	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	8%	18%	12%	17%	23%	12%	9%	14%	16%	19%	17%	18%	20%
Prices won't come down; are going higher	48	27	38	47	33	43	28	23	26	22	27	31	30
Interest rates low; credit is easy	5	2	3	3	3	5	3	2	3	5	5	3	4
BAD TIME TO BUY:													
Prices are high	18	20	25	20	16	23	30	34	29	23	23	20	16
Interest rates are high; credit is tight	9	13	17	12	11	19	28	31	24	19	16	13	17
Lack of purchasing power	14	9	15	19	8	12	14	16	15	20	14	12	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

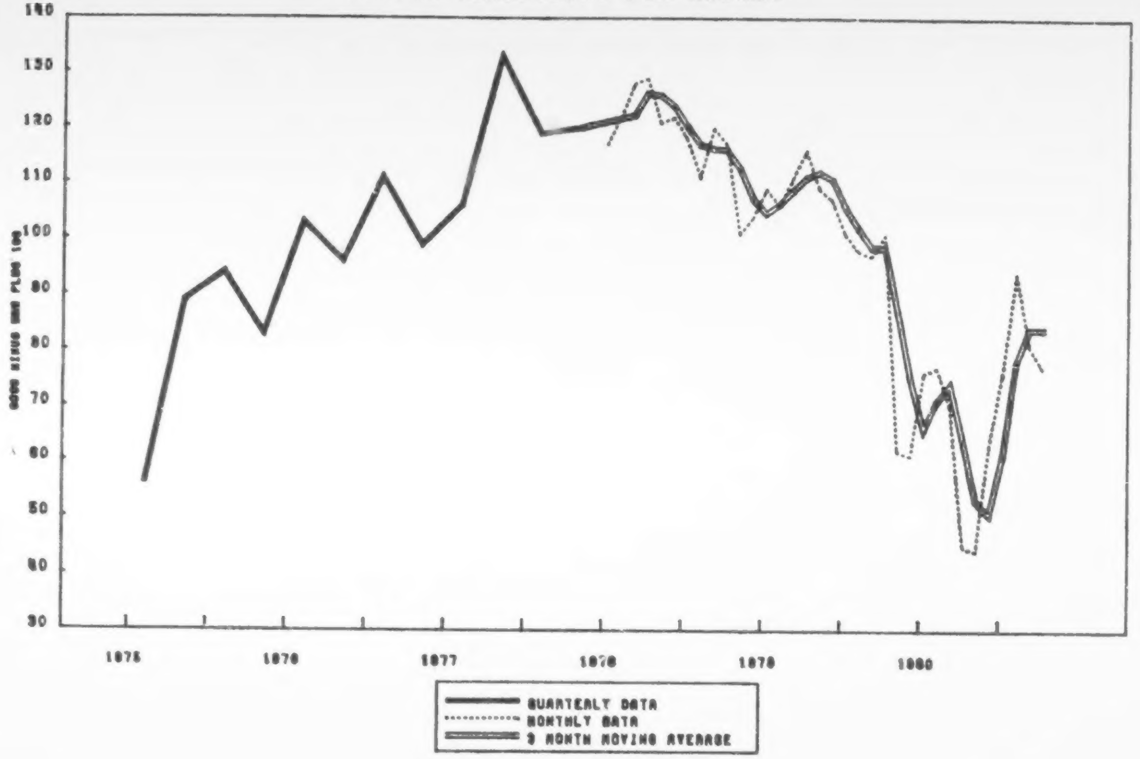

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

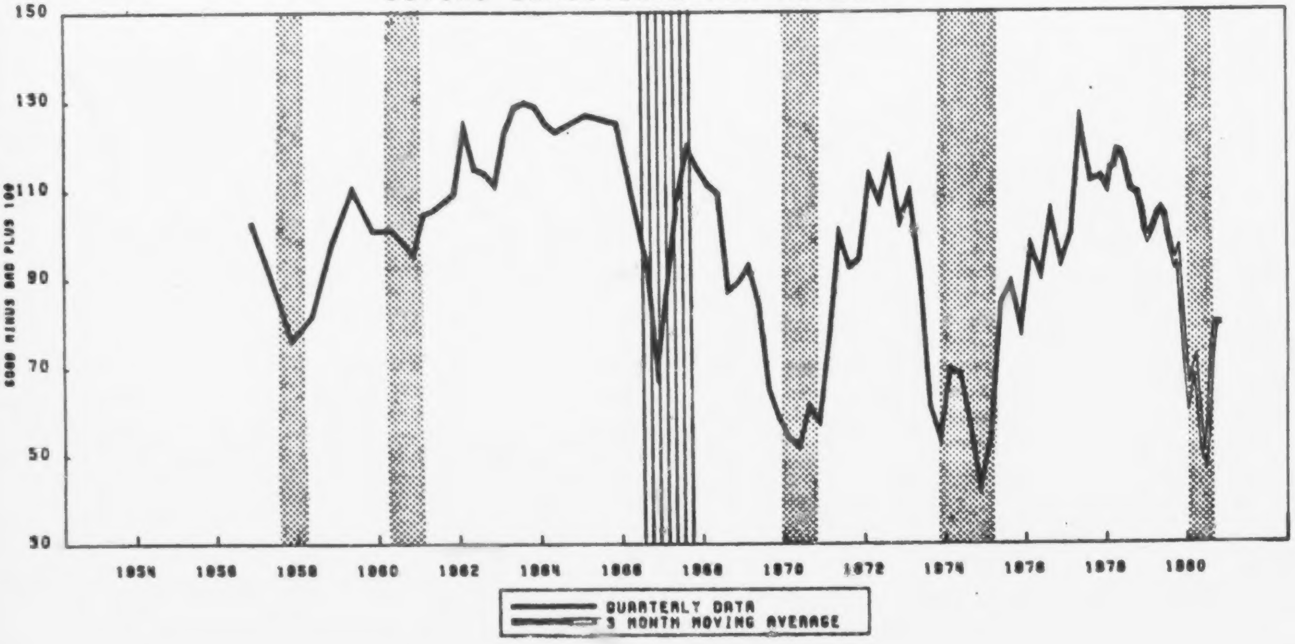

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY	47%	28%	28%	36%	36%	32%	19%	18%	29%	34%	44%	38%	36%
UNCERTAIN, DEPENDS	6	6	6	4	5	6	7	8	5	8	6	5	5
BAD TIME TO BUY	47	66	66	60	59	62	74	74	66	58	50	57	59
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	na	3%	na	na	4%	na	4%	3%	6%	9%	9%	7%	4%
Prices won´t come down; are going higher		17			20		8	8	11	12	14	17	17
Interest rates low; credit is easy		8			9		3	6	16	23	28	22	16
Good investment		8			12		9	7	5	6	10	9	8
BAD TIME TO BUY:													
Prices are high		31			30		31	30	27	30	26	29	27
Interest rates are high; credit is tight		68			56		76	75	66	53	41	50	56
Lack of purchasing power		9			8		8	9	10	15	12	11	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

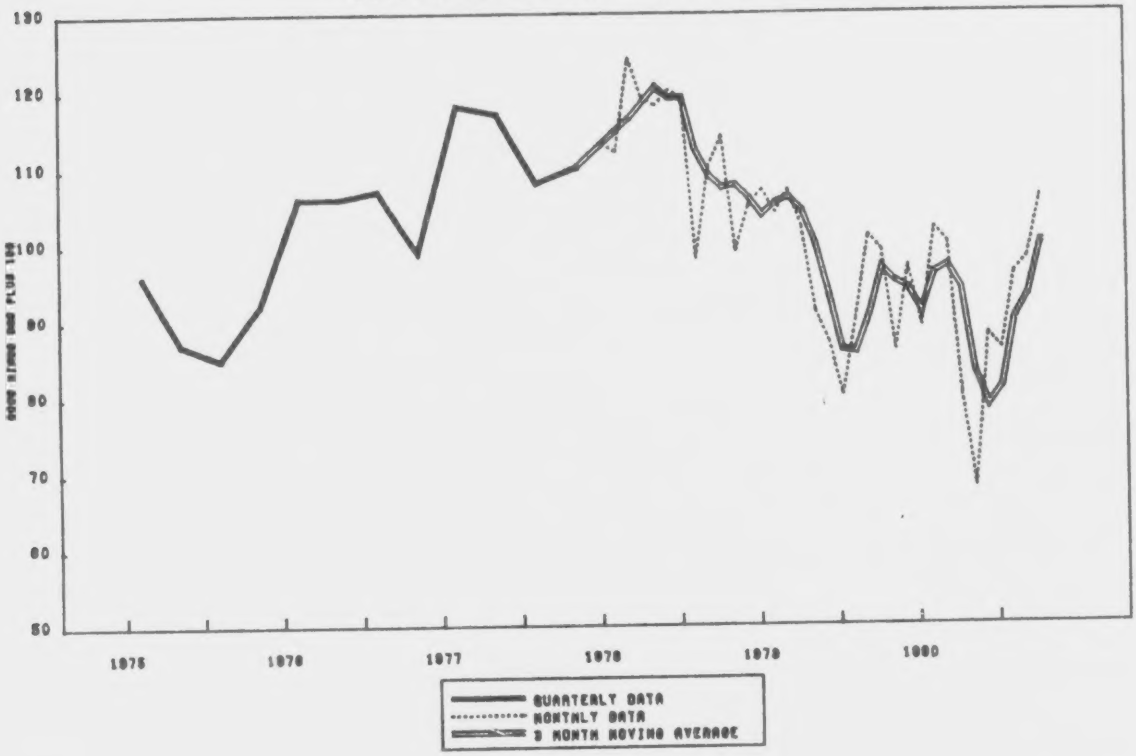

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

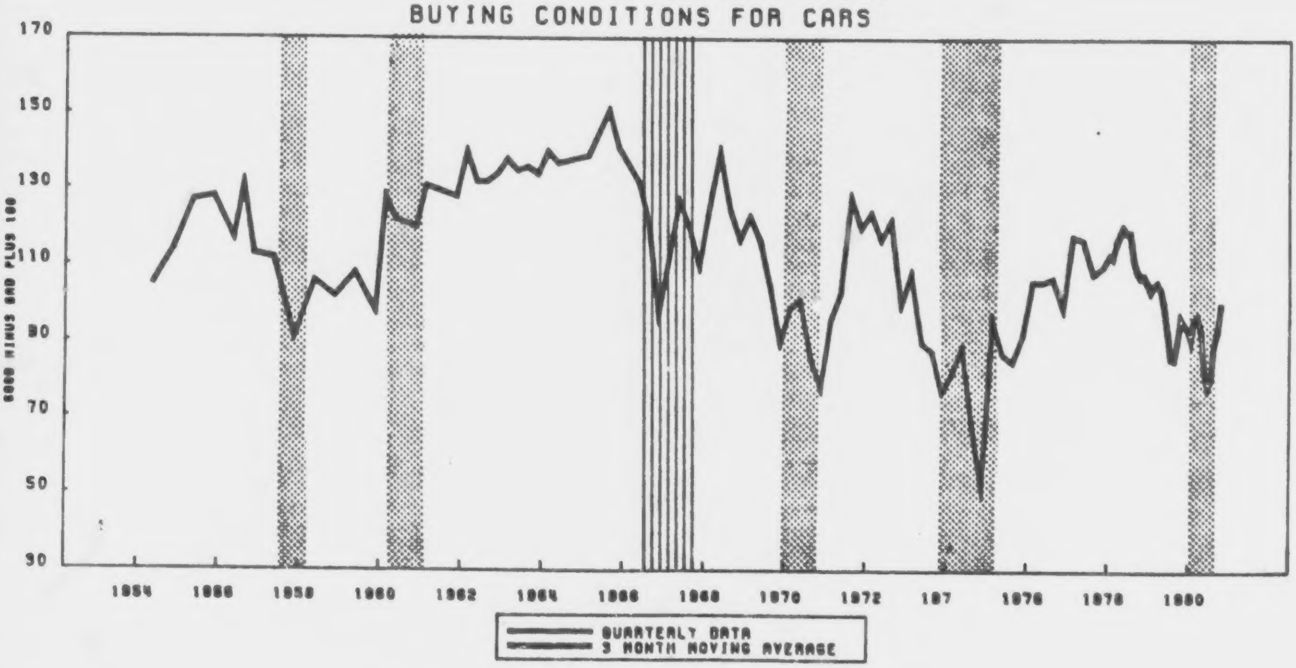

TABLE 30

BUYING CONDITIONS FOR CARS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY	45%	38%	44%	40%	47%	45%	35%	29%	37%	36%	42%	42%	45%
UNCERTAIN; DEPENDS	9	10	9	10	8	10	10	10	14	14	12	14	16
BAD TIME TO BUY	46	52	47	50	45	45	55	61	49	50	46	44	39
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1167	1327	850	769	1019	707	719	703	688	668	658	682	685

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	16%	14%	20%	13%	21%	19%	15%	25%	27%	25%	24%	20%	17%
Prices won't come down; are going higher	23	16	20	22	19	22	10	8	9	13	12	19	17
Interest rates low; credit is easy	3	2	1	2	3	3	4	1	3	4	4	4	3
New fuel efficient models	8	8	10	8	14	13	12	6	5	3	7	9	12
BAD TIME TO BUY:													
Prices are high	27	30	27	31	22	25	32	30	24	27	27	31	23
Interest rates are high; credit is tight	8	18	18	13	14	17	24	29	22	11	11	10	14
Lack of purchasing power	4	6	7	9	4	6	6	7	6	9	9	6	8
Price of gas; shortages	13	10	13	19	13	16	16	15	9	6	5	5	4
Poor selection; quality	10	8	8	10	10	9	8	7	10	13	13	11	13

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
PROBABLY WILL BUY	na	16%	na	na	20%	na	16%	13%	12%	17%	16%	16%	15%
CHANCES ARE EVEN		6			8		7	7	8	5	7	6	7
PROBABLY WILL NOT BUY		68			62		69	67	68	67	61	70	67
DK,NA		10			10		8	13	12	11	16	8	11
TOTAL		100%			100%		100%	100%	100%	100%	100%	100%	100%
CASES		1327			1019		719	703	688	668	658	682	685

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	22%	na	na	28%	na	23%	20%	20%	22%	23%	22%	22%
PURCHASE TYPE:													
Buy new		9			14		11	7	9	10	8	11	12
Buy used		11			12		9	9	7	11	12	9	7
Lease		1			1		2	1	1	1	1	1	2
DK,NA		1			1		1	3	3	*	2	1	1
PURCHASE TIMING:													
Next 3 months		4			2		4	2	1	5	3	1	3
Next 4-6 months		4			7		6	6	6	5	5	6	4
Next 7-9 months		5			7		6	5	5	3	4	2	7
10 months or more		5			6		2	3	5	4	4	4	4
DK,NA		4			6		5	4	3	5	7	9	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	68%	na	na	62%	na	69%	67%	68%	67%	61%	70%	67%
PURCHASE TYPE:													
Would buy new		41			36		40	39	38	40	35	38	44
Would buy used		25			24		26	25	27	24	24	30	20
DK,NA		2			2		3	3	3	3	2	2	3
PURCHASE TIMING:													
Less than 2 years		7			7		8	7	6	4	6	5	5
2 years		18			21		14	17	21	20	18	23	20
3 years		11			7		12	10	11	10	8	12	15
4 years or more		19			17		20	19	20	21	21	18	15
Indefinite		6			3		6	4	3	4	4	4	3
DK,NA		7			7		9	10	7	8	4	8	9

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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SURVEY RESEARCH CENTER UNIVERSITY OF MICHIGAN

OCTOBER 1980 SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

IMPROVED CONSUMER SENTIMENT MAINTAINED IN OCTOBER 1980 SURVEY

**In the October 1980 Survey of Consumer Attitudes, the Index of Consumer Sentiment was 75.0, a statistically insignificant change from the 73.7 recorded in the September survey. Nonetheless, the October survey recorded the fifth consecutive monthly increase, which maintains the sizable recent improvement in consumer sentiment. The October 1980 reading is more than 20 Index-points above the cyclical low recorded in May, and more than 10 Index-points above the year-earlier reading.

**Among families with incomes of $20,000 or more, the Index figure was 76.3 in the October 1980 survey, insignificantly below the 78.1 recorded in September. The October level of sentiment among high-income families represents a 20 Index-point gain from the mid-1980 low, and 10 Index-point improvement above year-earlier readings. Residents of the Southern region posted the largest recovery in sentiment since mid-year lows, moving from 49.3 in May 1980 (the lowest of the four regions) to 79.1 in October 1980 (the highest among the four regions), an increase of nearly 30 Index-points.

**News heard of recent changes in business conditions continued to be dominated by unfavorable references to high unemployment and inflation. During the past several months, however, reports of spreading unemployment have fallen off sharply, while reports of high and increasing interest rates have increased. Among all families, 49 percent in the October survey expected interest rates to increase during the year ahead, more than twice the 21 percent recorded just three months earlier in July 1980.

**Among all families, 44 percent expected bad times financially in the economy as a whole during the next five years, a significant improvement from the 56 percent recorded in September 1980, and 67 percent recorded in October 1979. This represents the first monthly survey in more than 2 years in which the majority of families did not expect unfavorable long-term business conditions. Short-term business expectations also improved, with the proportion who expected bad times financially in the economy as a whole during the next 12 months falling to 49 percent in October 1980, from 52 percent in September, and 70 percent a year earlier.

**The improved business outlook was accompanied by lessening fears of spreading unemployment. Unemployment was expected to increase in the year ahead by 30 percent of all families in October 1980, down from 40 percent in September, and 55 percent in October 1979. Declining unemployment in the year ahead was expected by one in five households in the October 1980 survey, three times the proportion recorded a year earlier.

* * *

The pre-election survey results indicate that consumer attitudes and expectations in October maintained an overall holding pattern from September levels, with offsetting changes reflecting less concern with unemployment and more concern with rising interest rates. Reagan's landslide victory may further increase optimistic business expectations in the months ahead, but recent increases in interest rates have already resulted in some weakening of favorable buying attitudes. These data suggest that consumer sales will follow an improved path, but the expansion will be cautious and responsive to changes in credit conditions.

Volatile Pace of Change

The pattern of decline and the recent recovery in consumer sentiment has been characterized by an uneven pace. From mid-1977 (when the Index reached its cyclical peak) to mid-1979, the Index of Consumer Sentiment declined by about 20 Index-points. In the twelve months from March 1979 to February 1980, the Index remained largely unchanged, moving in a horizontal pattern within the narrow range of 60 to 68 Index-points. In the three month period from February to May 1980, the Index fell from 66.9 to 51.7 in May, accounting fro more than a third of the total three year decline of 38 Index-points. The initial recovery in sentiment has also been rapid thus far. In the five months from May to October 1980, the Index regained 23 points, more than half of the entire three year decline. The recovery in consumer sentiment cannot be expected to continue at this rapid pace.

The two major components of the Index--evaluations of current, and evaluations of expected conditions--have both significantly improved since the mid-1980 low. Although evaluations of current conditions reached a cyclical low in mid-1980, the expectations component of the Index first reached cyclical low levels in mid-1979, posted improvements in late 1979, and following a series of reversals in early 1980, continued on that same path of improvement. In comparison with year earlier measurements, the expectations component was significantly more favorable in October 1980, but evaluations of current economic conditions were largely unchanged from year earlier readings. Thus the movement of these components continues to indicate the early stage of the current recovery.

Personal Finances

Consumer evaluations of their personal financial situation, after posting improvements in early summer 1980, have remained largely unchanged during the past several months. In each of the monthly surveys from July to October 1980, 40 percent of all families reported being worse off financially than a year earlier, and approximately 30 percent reported being better off financially. Consumers thus on balance continue to report an unfavorable financial situation, although the margin of opinion recorded in October (40 to 30 percent) was much smaller than the April 1980 low (51 to 24 percent) and somewhat smaller than the year earlier reading (45 to 28 percent).

In the October 1980 survey, half of all families (50 percent) expected their financial situation to remain the same during the year ahead. Fewer families expected their financial situation to improve in the year ahead in October 1980 (25 percent) than in September (34 percent), although it was nearly identical with the year earlier reading (24 percent). The proportion of families who expected to be worse off financially in both the September and October 1980 surveys was 17 percent, a significant improvement from the 28 percent recorded in October 1979.

Expected changes in nominal family income were somewhat more favorable in the October 1980 survey than a year earlier. Income increases were expected by 68 percent of all families in October 1980, up from 60 percent in November 1979, with income increases of 10% or more expected by 28 percent of all families in October 1980, up from 25 percent in November 1979. After allowance for price increases, real income declines were less frequently expected in October 1980 than in October 1979. A year ago the majority of families (52 percent) expected their real income to decline in the year ahead; in October 1980, this proportion fell to 43 percent.

Business Conditions

Evaluations of current business conditions have improved steadily since the June 1980 low, although they still remain on balance unfavorable. In October 1980, 64 percent of all respondents said business conditions had worsened during the past year, down from 70 percent in September and considerably below the record 90 percent recorded in May and June.

With regard to future changes in business conditions, the balance of opinion in October pointed toward improvement rather than deterioration for the year ahead. In the October 1980 survey, business conditions were expected to improve rather than worsen by a margin of 33 to 18 percent, a significant improvement over the year-earlier reading when the balance of opinion was reversed and pointed toward worsening rather than improving conditions by a similar margin of 35 to 15 percent. In explaining why they thought business conditions would change during the year ahead, one in four respondents mentioned the upcoming elections and government economic policy as reasons for either expecting favorable or unfavorable changes in the economy. Overall, confidence in government economic policy remained at low levels in the October 1980 survey. Among all families, 40 percent rated government policy as poor, from the 41 percent recorded in September, and somewhat below the 45 percent recorded in October 1979.

In the October 1980 survey, consumers expected prices to increase by 9.2% on average during the year ahead, up from 8.5% in September, and 8.9% in October 1979. Importantly, the slightly higher mean level of expected inflation was accompanied by a divergent movement of opinion--families more frequently expected no increase in prices (20 percent in October 1980, up from 17 percent in September, and 13 percent in October 1979), and families more frequently expected prices to increase by 15% or more (16 percent in October 1980, up from 13 percent in September, and 11 percent in October 1979). Thus although the overall increase in price expectations was small, the greater dispersion of expectations indicates increased price uncertainty.

Potential Impact of the Election

In the October 1980 survey, respondents were asked about which candidate they expected to win the presidential election. Among all households, nearly equal proportions expected Reagan (45 percent) as Carter (43 percent) to win, reflecting the widespread pre-election uncertainty about the outcome (Table 1). Families who expected Reagan to win gave somewhat less favorable assessments of their personal financial situation, less favorable evaluations of current business conditions, and much less favorable evaluations of current government economic policy. Importantly, those who expected Reagan to win recorded significantly more optimistic business expectations (Table 3). The landslide vote may propel others who did not originally expect a Reagan victory, to reassess more favorably the outlook for business conditions. Although tax cuts were a prominent part of the campaign, just 25 percent of all families expected a reduction in personal income taxes during the next 12 months(Table 2). Interestingly, the expectation of a personal tax reduction had a much more favorable impact on business expectations than on personal financial attitudes (Table 3).

Table 1

EXPECTED ELECTION OUTCOME

Candidate Respondent Expected to Win Election	October 1980
Carter	43%
Reagan	45
Anderson	1
Don't know	6
Not ascertained	5
Total	100%
Cases	685

The question was: "Who do you think will be elected President in November--Carter, Reagan, or Anderson?"

Table 2

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980
Yes	25%
No	64
Uncertain; don't know	10
Not ascertained	1
Total	100%
Cases	685

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

Table 3

IMPACT OF ELECTION AND TAX CUTS ON SENTIMENT

	Candidate Respondent Expected to Win Election		Whether Respondent Expected Tax Cut during Next Year	
	Carter	Reagan	Yes	No
Index of Consumer Sentiment	73.2	75.9	79.3	74.2
Personal Finances				
Compared with year earlier	92	87	91	90
Expected during next year	112	107	112	108
Business Conditions				
Compared with year earlier	64	54	58	61
Expected during next year	109	121	128	110
Expected next five years	74	90	96	78
Confidence in Government's Economic Policy	81	53	60	66

Buying Conditions

In the October 1980 survey, buying conditions for large household durable goods were viewed favorably by 55 percent of all families, up from 44 percent in July, and just below the 58 percent recorded in October 1979. The increase in favorable durable buying attitudes during the past several months has been associated with more frequent mentions of low prices and less frequent complaints about high prices. In October 1980, 20 percent of all families mentioned low prices or the availability of good buys, up from just 8 percent in October 1979.

After posting strong improvements in buying attitudes toward houses from May through August 1980, favorable house buying attitudes have since declined. In October 1980, 36 percent of all families rated buying conditions for houses as favorable, down from 38 percent in September, and 44 percent in August 1980. The major reason for the decline in favorable buying attitudes was more frequent mentions of high interest rates and tight credit conditions in October 1980 (56 percent) than in August (41 percent). During the past two months, the proportion of families who mentioned easier credit conditions as a favorable factor has fallen from 28 percent in August to 16 percent in October 1980.

Attitudes toward buying conditions for automobiles posted a significant improvement in the October 1980 survey. Among all families, 45 percent rated buying conditions for cars as favorable in October 1980, up from 42 percent in September, and equal to the 45 percent recorded a year earlier. Unfavorable attitudes are now held by 39 percent of all families, down from 44 percent in September, and 46 percent in October 1979. On balance, attitudes toward buying conditions for automobiles are now more favorable than at any time since early 1979. The October improvement in car buying attitudes can be traced to more frequent mentions of new fuel efficient models, and less frequent mentions of high prices making buying conditions unfavorable. In comparison with a year ago, high interest rates and tight credit conditions are now mentioned more frequently as an unfavorable factor (14 versus 8 percent), with price and availability of gasoline less frequently mentioned as an unfavorable factor (4 versus 13 percent).

* * *

The October 1980 survey was conducted between September 29 and November 2, with 685 interviews obtained.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

NOVEMBER 1980

The November 1980 survey is the 124th. in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

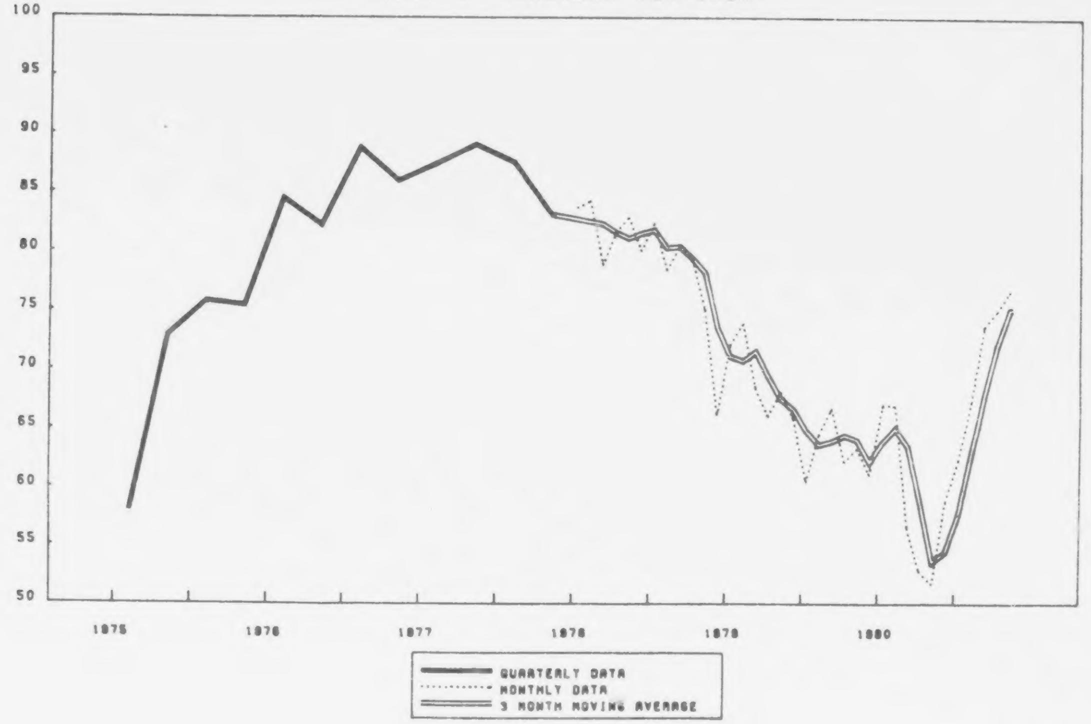


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

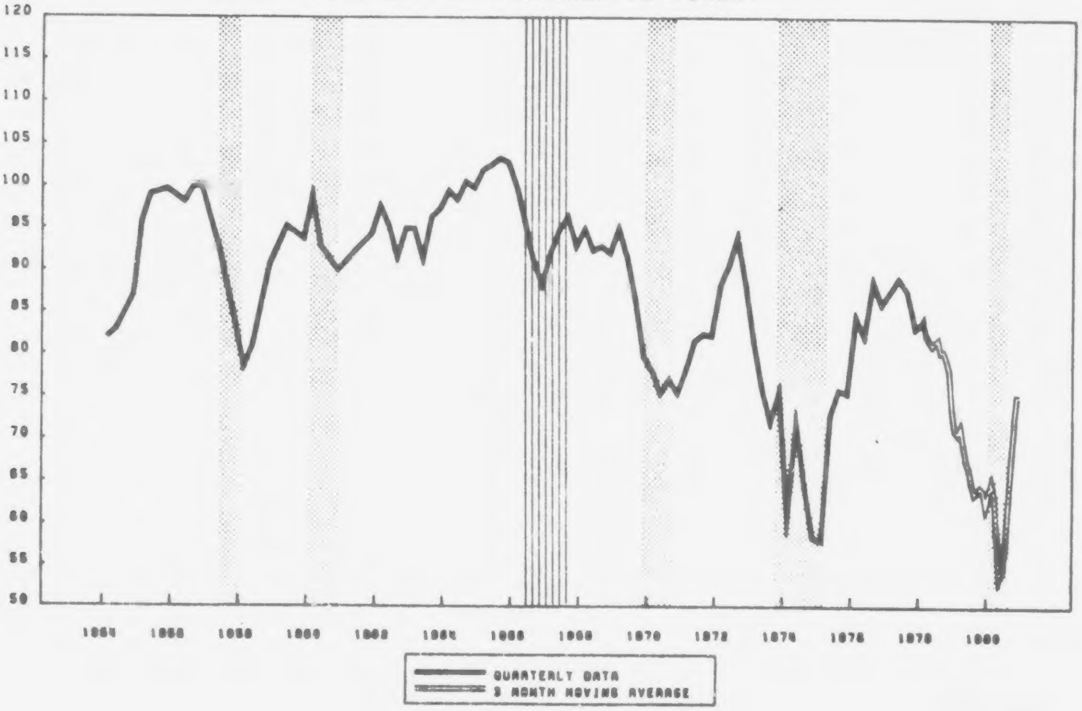


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
November	1977	83.1	94.0	95.5
January	1978	83.7	95.6	94.7
February	1978	84.3	98.0	100.1
March	1978	78.8	87.5	93.8
April	1978	81.6	94.5	92.9
May	1978	82.9	87.1	90.0
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

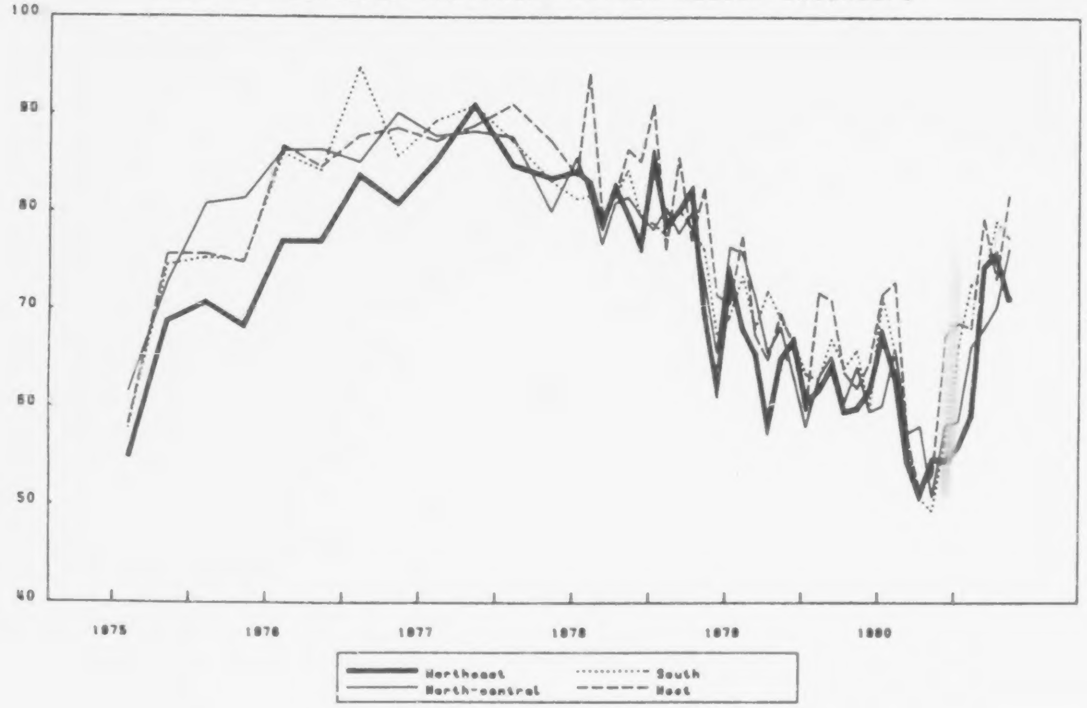


CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

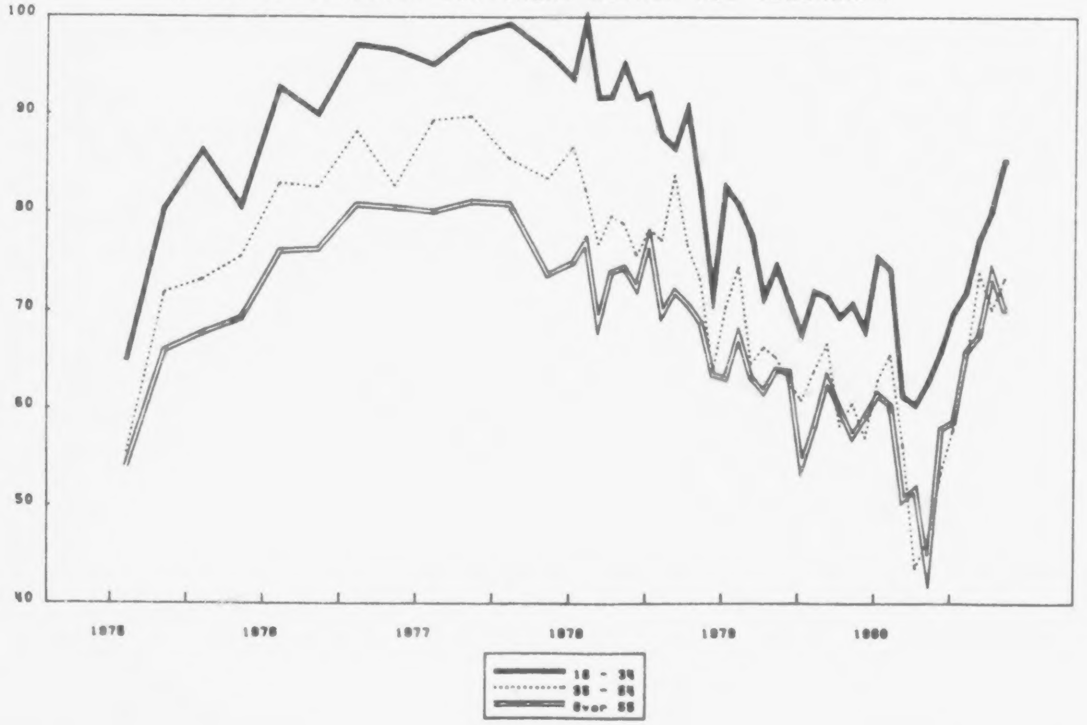
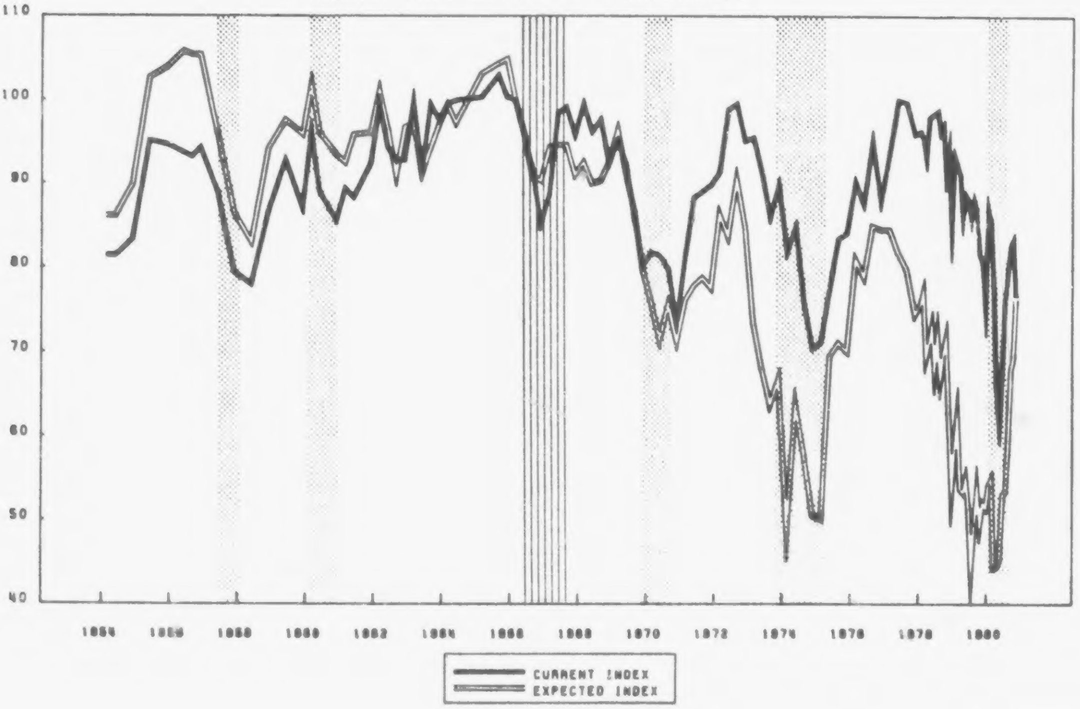


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
November 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
January 1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February 1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March 1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April 1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May 1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June 1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July 1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August 1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September 1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October 1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November 1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December 1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January 1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February 1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March 1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April 1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May 1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June 1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July 1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August 1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September 1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October 1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS + Personal finances Current (1)	 Personal finances Expected (2)	 Business conditions 12 months (3)	 Business conditions 5 years (4)	 Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
November	1977	107	107	104	85	139	96.0	74.7
January	1978	105	114	106	80	142	96.2	75.7
February	1978	106	109	108	89	139	95.4	77.2
March	1978	100	107	91	76	140	93.2	69.5
April	1978	104	112	99	71	148	98.0	71.1
May	1978	105	111	99	79	147	98.2	73.0
June	1978	107	102	97	71	146	98.4	68.1
July	1978	108	111	105	69	146	98.7	72.0
August	1978	101	112	82	70	145	96.1	67.0
September	1978	109	109	96	71	140	96.9	69.8
October	1978	96	104	103	77	138	91.2	71.7
November	1978	106	106	74	67	135	94.1	62.8
December	1978	95	96	61	53	123	85.2	53.8
January	1979	101	99	72	58	139	93.3	58.4
February	1979	98	98	75	71	138	92.2	62.2
March	1979	96	99	57	53	138	91.2	53.7
April	1979	85	90	63	55	134	85.9	53.3
May	1979	91	95	58	62	136	88.7	54.9
June	1979	92	91	54	55	134	88.2	51.4
July	1979	90	92	39	40	130	85.7	44.2
August	1979	95	98	46	48	131	88.2	49.3
September	1979	90	98	60	51	133	87.1	53.6
October	1979	83	96	48	49	126	81.6	49.5
November	1979	86	97	52	54	120	80.9	52.0
December	1979	83	101	50	50	110	75.8	51.5
January	1980	96	106	58	47	127	87.1	54.1
February	1980	85	99	55	50	134	85.5	54.9
March	1980	76	92	38	41	116	75.3	44.3
April	1980	73	94	32	45	94	65.8	44.4
May	1980	79	100	31	44	77	61.7	45.3
June	1980	78	101	43	63	93	67.4	53.0
July	1980	90	105	45	58	104	76.1	53.4
August	1980	93	111	63	60	109	79.4	59.6
September	1980	91	117	83	69	121	82.7	67.9
October	1980	90	108	84	83	123	83.4	69.6
November	1980	83	118	94	93	112	76.4	76.9

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

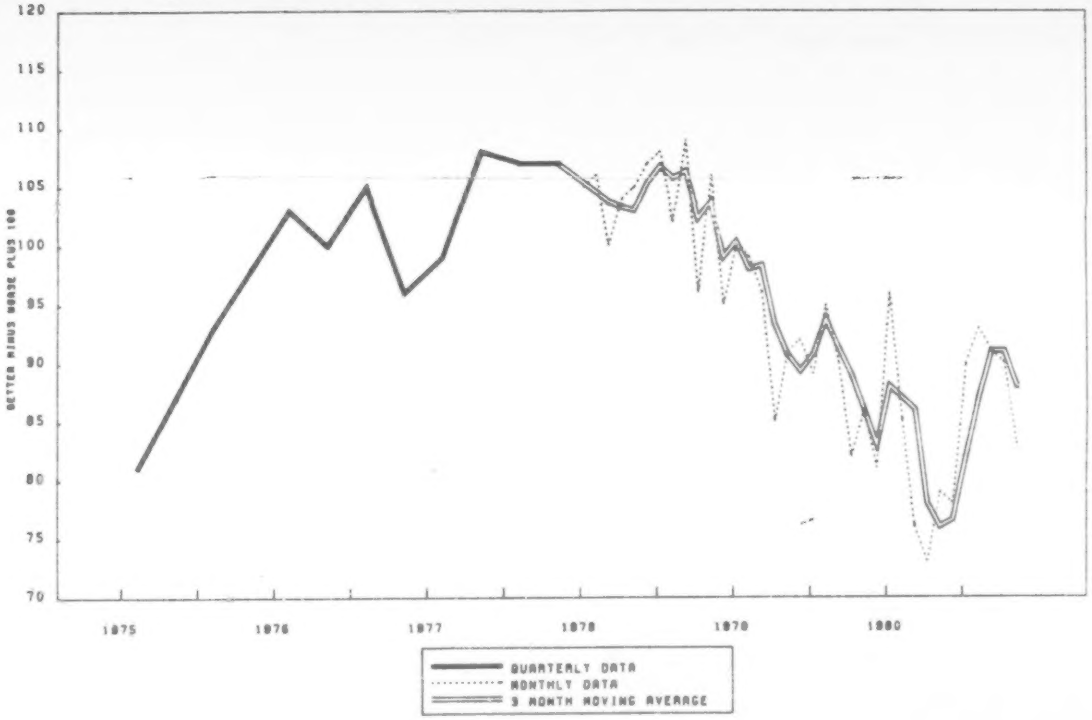


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

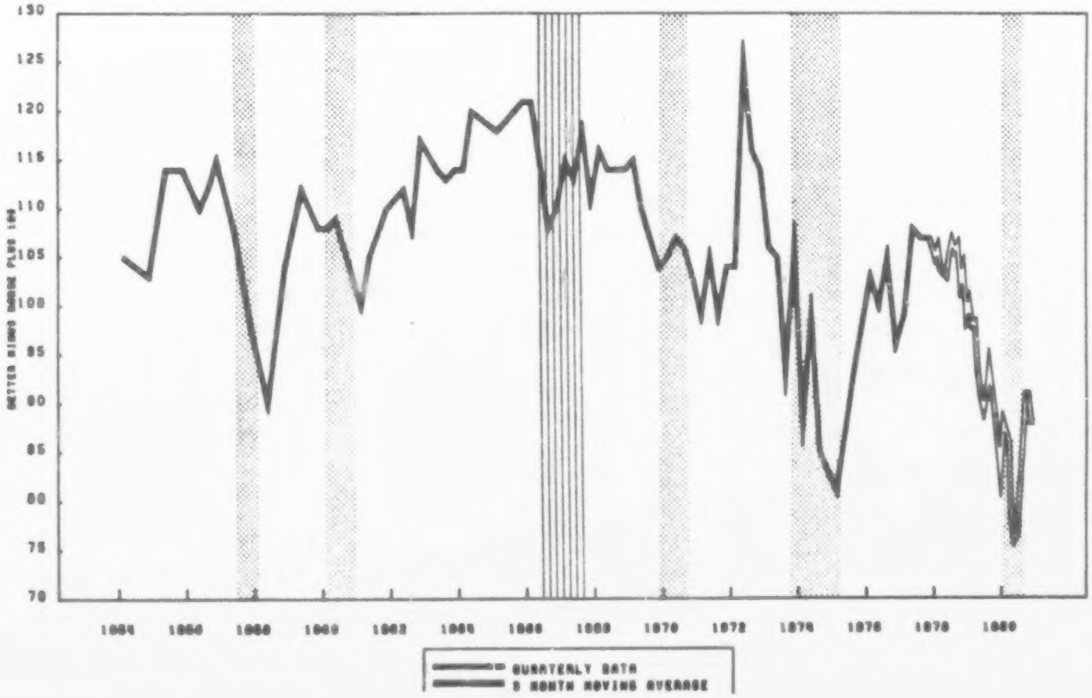


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
BETTER OFF	30%	28%	34%	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%
SAME	25	26	28	25	28	25	26	26	29	26	27	30	26
WORSE OFF	44	45	38	45	48	51	47	47	40	40	40	40	45
DK,NA	1	1	*	*	*	*	1	2	1	1	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

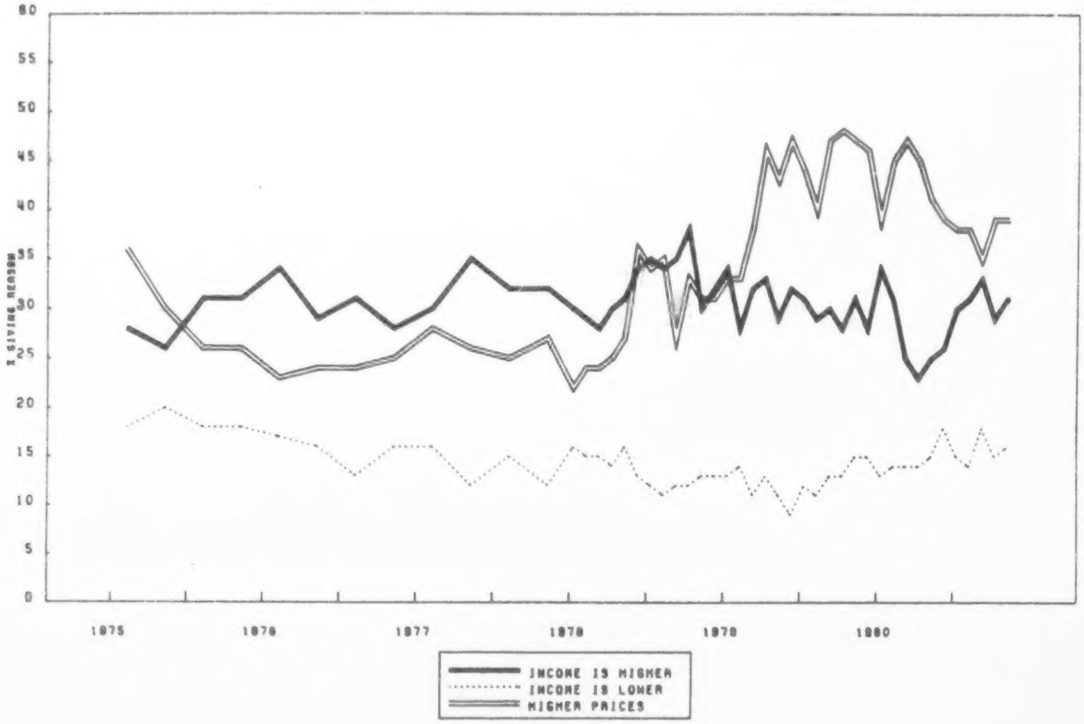


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	27%	34%	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	13	14	14	14	15	18	15	14	18	15	16
Higher prices	47	44	39	45	47	45	41	39	38	38	35	39	39

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

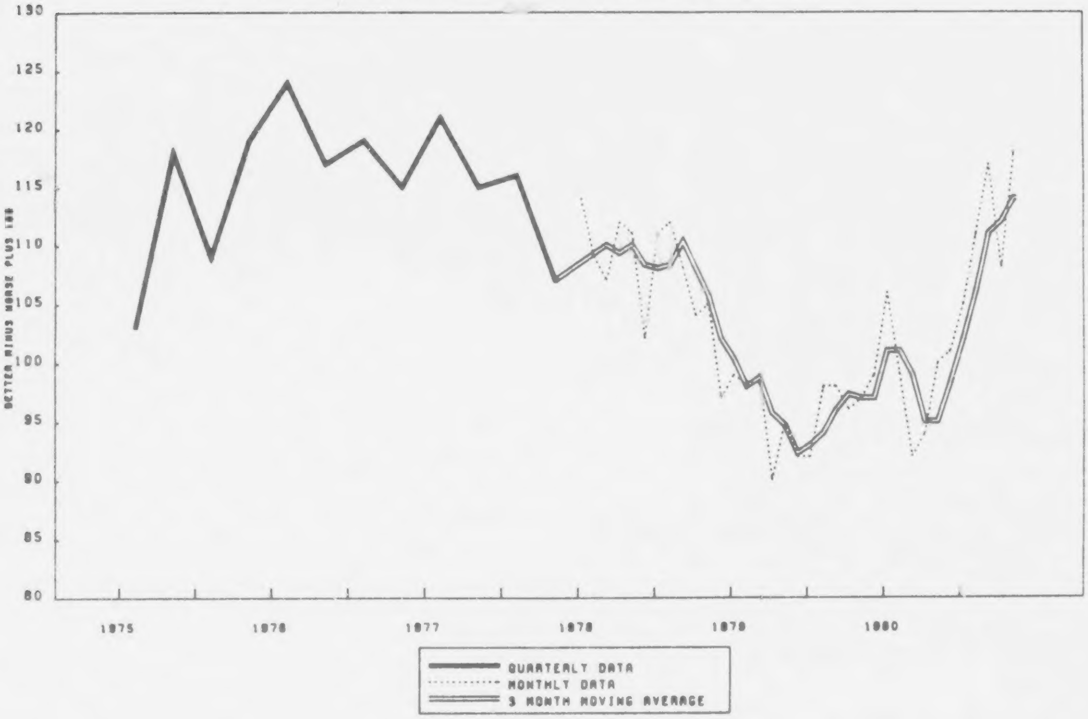


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

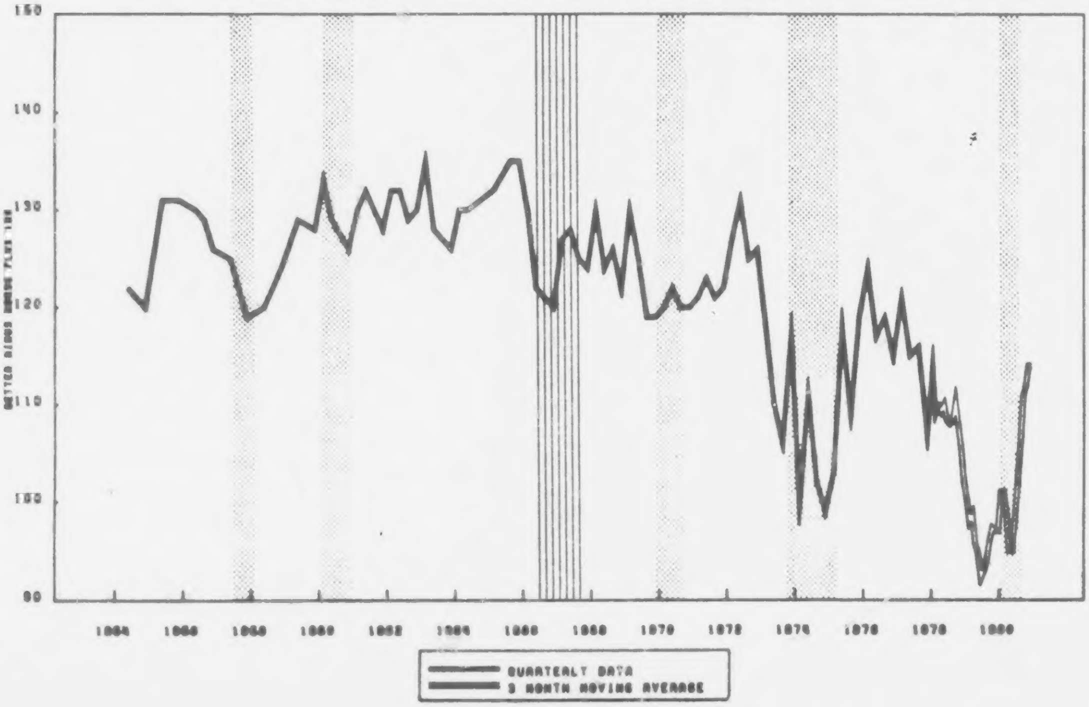


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
BETTER OFF	21%	26%	28%	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%
SAME	53	45	46	45	47	42	43	46	48	48	45	50	42
WORSE OFF	24	25	22	26	28	31	27	25	21	19	17	17	17
DK,NA	2	4	4	4	5	2	3	3	5	3	4	8	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

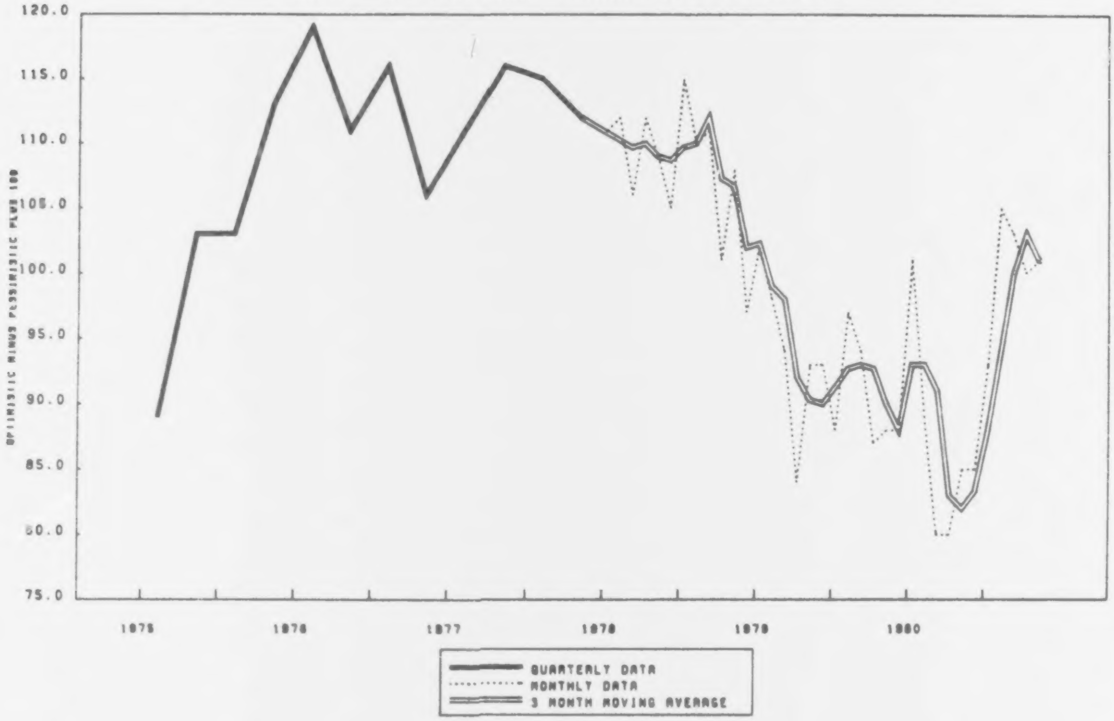


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

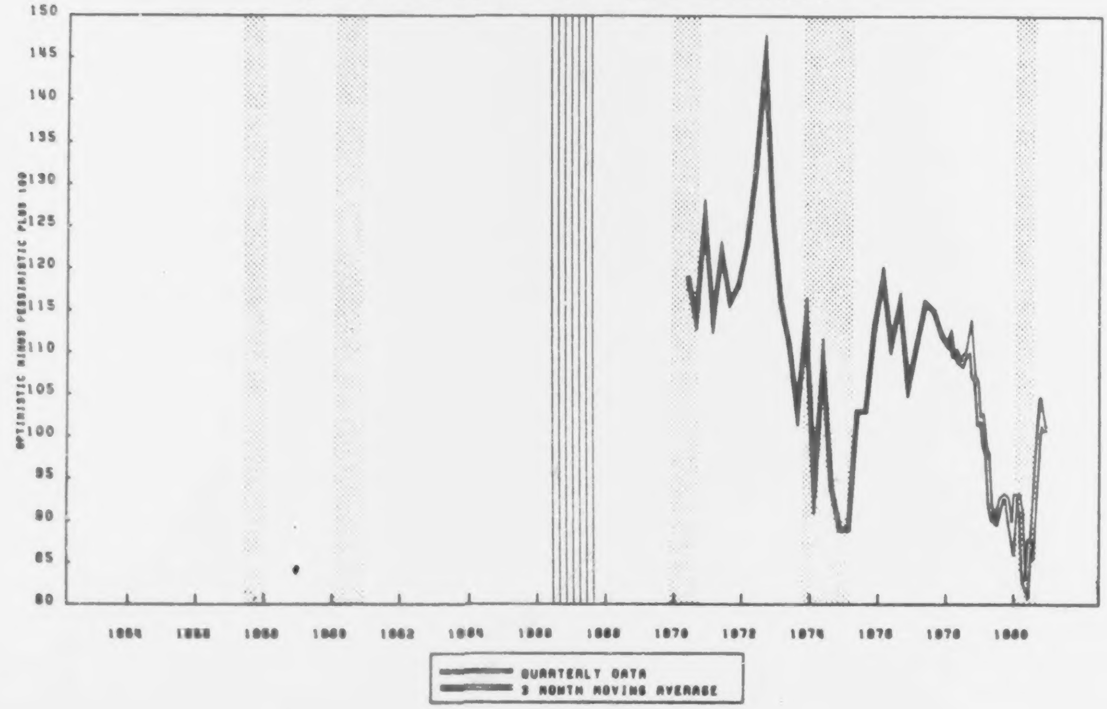


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	12%	15%	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%
Intermittant increase (b)	19	18	21	19	16	16	17	16	19	22	19	20	19
Remain unchanged (c)	16	14	16	12	15	14	12	14	14	16	15	18	13
Intermittant decline (d)	25	23	20	25	27	23	27	27	28	17	21	21	22
Continuous decline (e)	16	18	14	18	17	21	16	14	10	12	9	11	9
Mixed change (f)	10	11	10	10	13	16	14	15	11	18	16	10	18
DK,NA	3	4	4	3	5	2	3	4	6	3	6	8	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
EXPECT INCREASE:													
1-4%	5%	na	na	6%	na	5%	6%	5%	5%	6%	7%	8%	5%
5%	8			8		8	7	7	8	10	7	7	10
6-9%	14			14		14	12	13	11	15	16	15	10
10-24%	19			20		23	24	25	20	20	21	21	26
25% or more	6			9		7	6	8	5	6	5	7	7
DK how much up	8			7		7	8	8	10	9	10	10	8
EXPECT SAME	28			24		25	22	21	21	21	21	21	24
EXPECT DOWN	8			10		9	13	12	18	11	10	9	7
DK,NA	4			2		2	2	1	2	2	3	2	3
TOTAL	100%			100%		100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327			1019		719	703	688	668	658	682	685	694

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

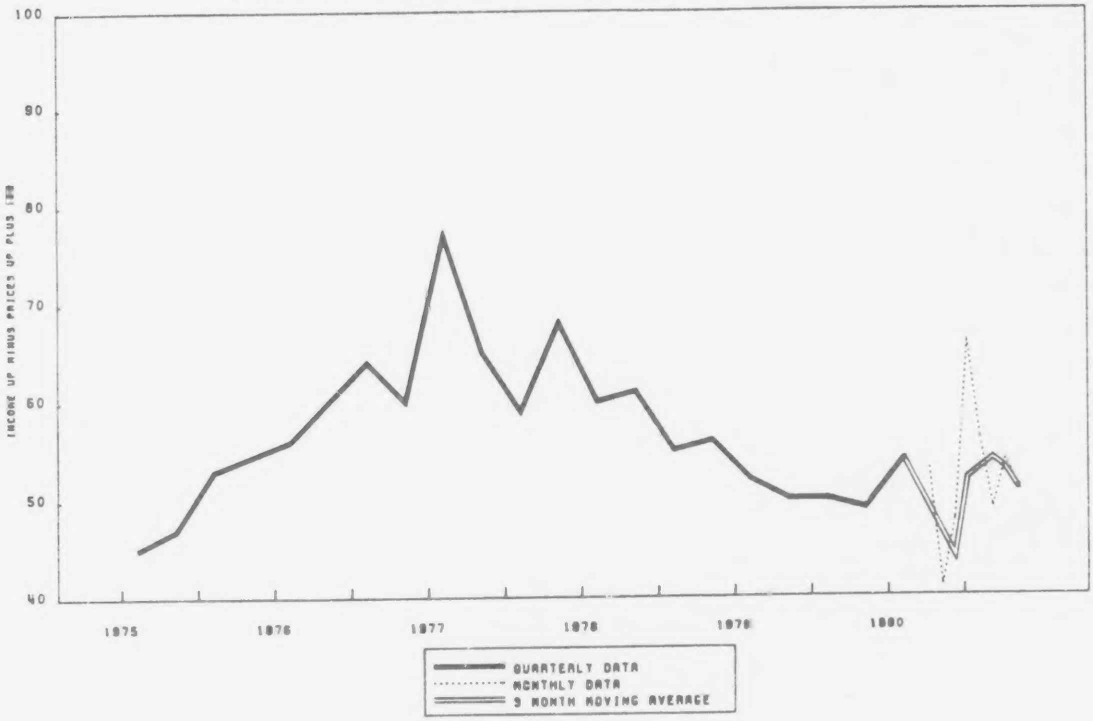


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
INCOME UP MORE	12%	na	na	13%	na	11%	8%	11%	12%	13%	12%	13%	10%
INCOME UP SAME	23			27		22	22	25	30	29	24	25	30
PRICES UP MORE	63			59		66	67	63	56	57	63	59	59
DK,NA	2			1		1	3	1	2	1	1	3	1
TOTAL	100%			100%		100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327			1019		719	703	688	668	658	682	685	694

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

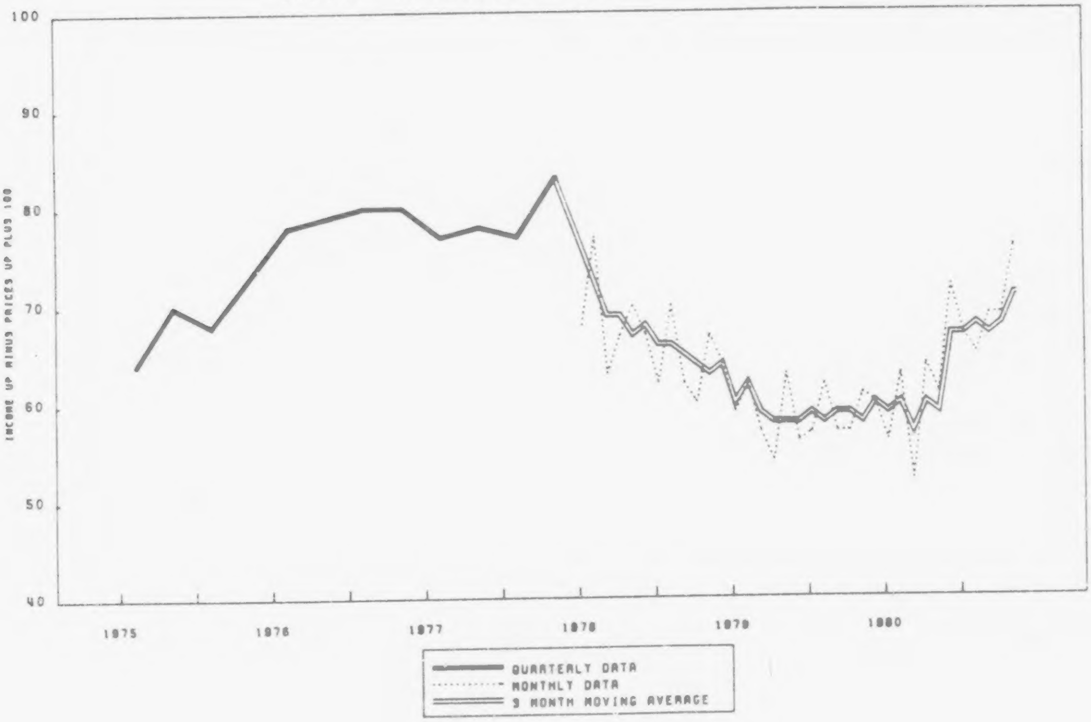


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
INCOME UP MORE	10%	11%	8%	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%
INCOME UP SAME	38	34	36	33	32	37	34	41	38	40	38	42	42
PRICES UP MORE	49	51	52	51	56	48	51	42	45	46	45	43	40
DK,NA	3	4	4	2	4	3	3	3	5	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

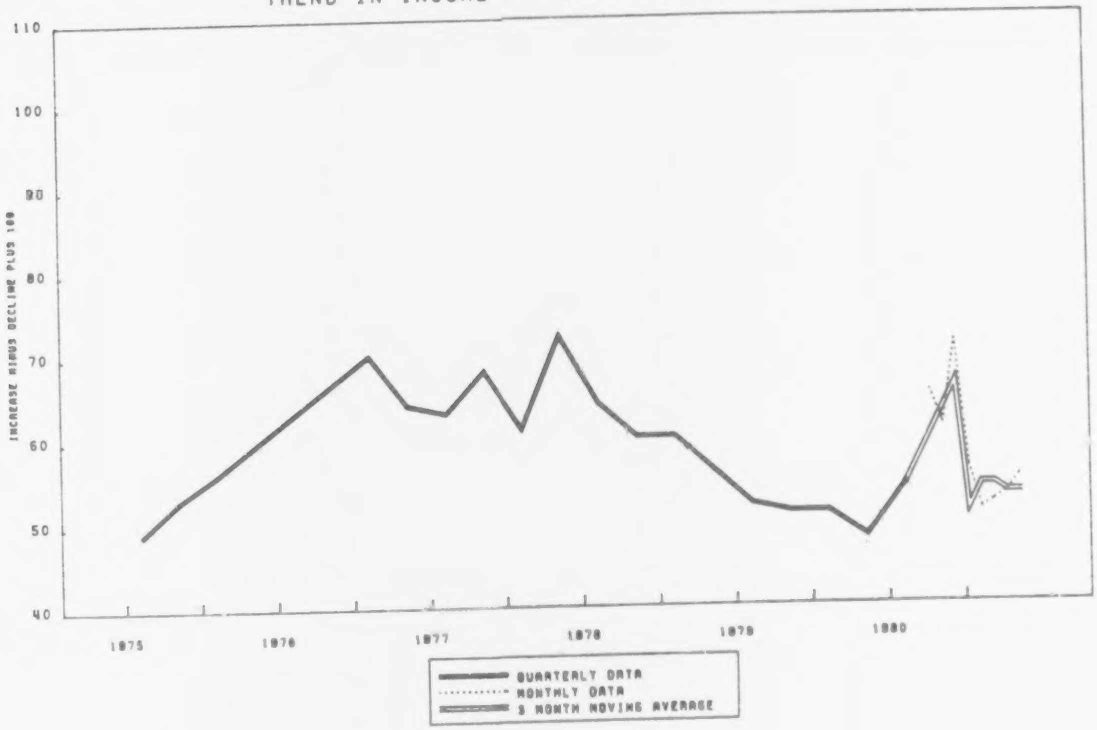


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	4%	na	na	7%	na	4%	2%	5%	5%	3%	5%	6%	6%
Intermittant increase (b)	8			8		8	9	8	9	11	9	6	9
Remain unchanged (c)	14			16		13	11	16	17	17	14	18	17
Intermittant decline (d)	22			19		24	22	26	23	22	23	25	27
Continuous decline (e)	42			42		41	44	35	35	37	39	34	33
Mixed change (f)	6			6		6	6	7	5	6	6	7	5
DK,NA	4			2		4	6	3	6	4	4	4	3
TOTAL	100%			100%		100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327			1019		719	703	688	668	658	682	685	694

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

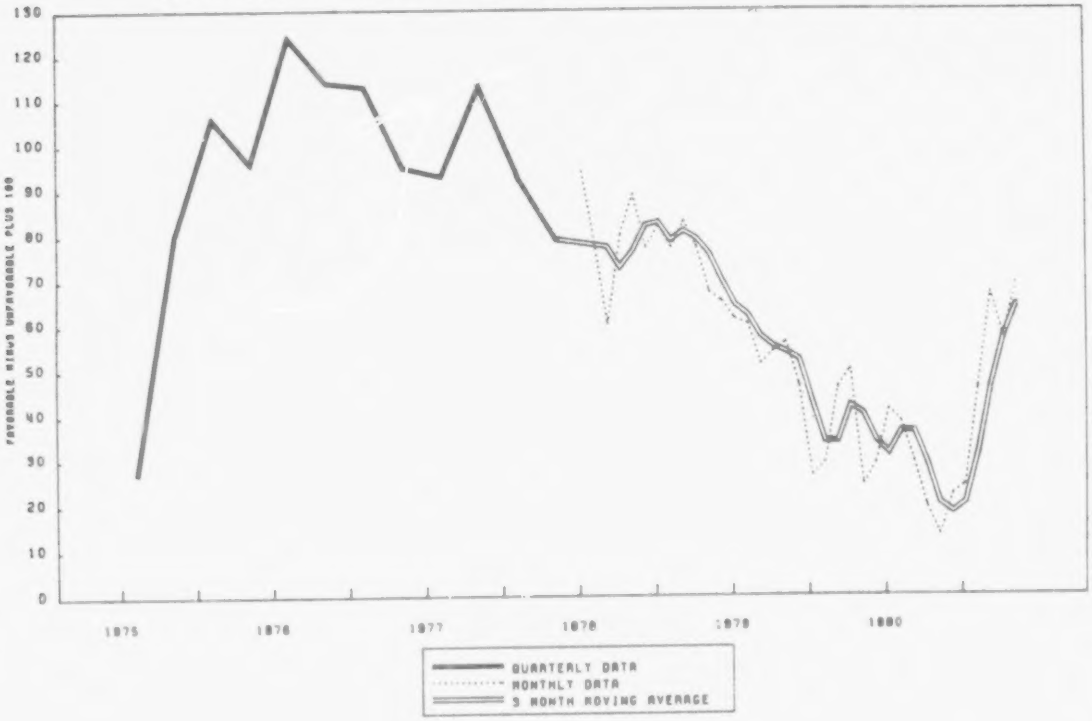


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

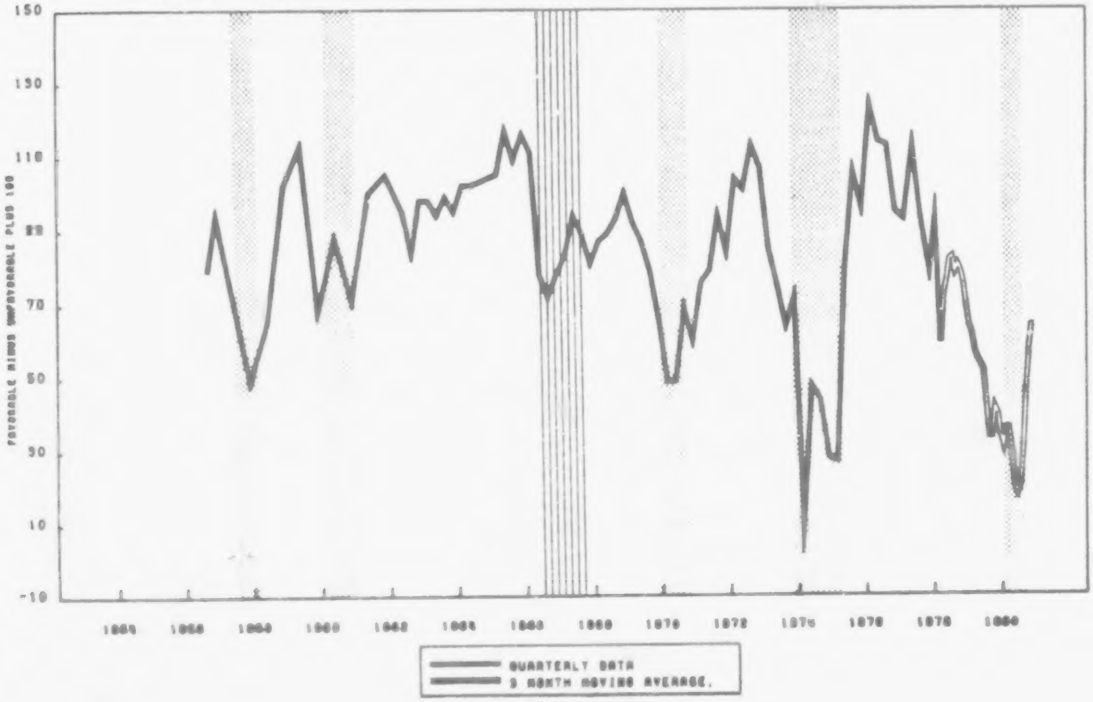


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
FAVORABLE NEWS	11%	11%	17%	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%
UNFAVORABLE NEWS	87	79	76	76	82	91	97	93	95	78	63	72	58
NO MENTIONS	38	41	39	41	41	35	30	29	30	34	38	33	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
FAVORABLE NEWS:													
Government; elections	1%	*	*	1%	1%	1%	*	1%	*	1%	2%	1%	7%
Employment	3	4	6	5	3	3	1	3	4	7	7	10	7
Consumer demand high	*	1	1	1	1	1	*	1	1	1	3	3	2
Prices are low	1	*	1	1	*	1	1	1	1	*	1	2	1
Credit is easy	*	1	1	1	*	*	5	7	7	8	7	3	1
UNFAVORABLE NEWS:													
Government; elections	3	3	4	3	3	3	4	2	4	3	1	4	3
Unemployment	16	22	18	19	14	21	40	50	43	31	25	26	21
Consumer demand low	6	10	8	10	8	9	10	9	12	12	8	8	8
Prices are high	16	10	16	14	17	17	11	8	12	13	10	10	9
Credit is tight	20	14	7	9	22	24	16	9	5	5	8	12	9
Energy crisis	5	4	4	4	1	1	*	1	1	1	*	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

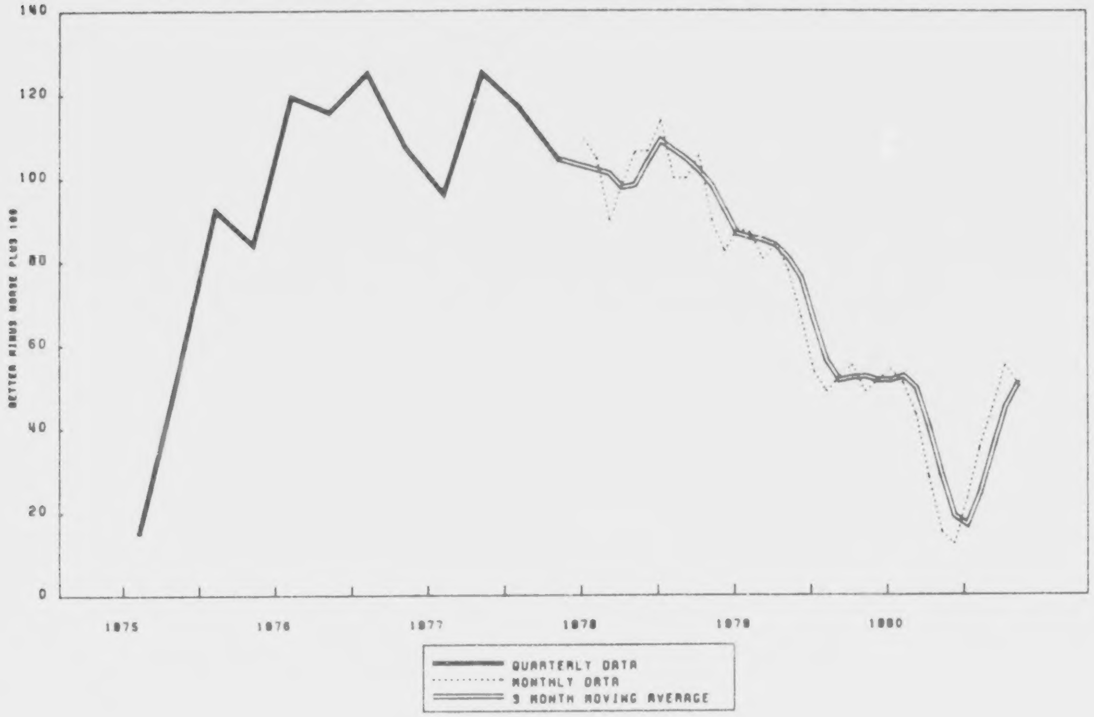


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

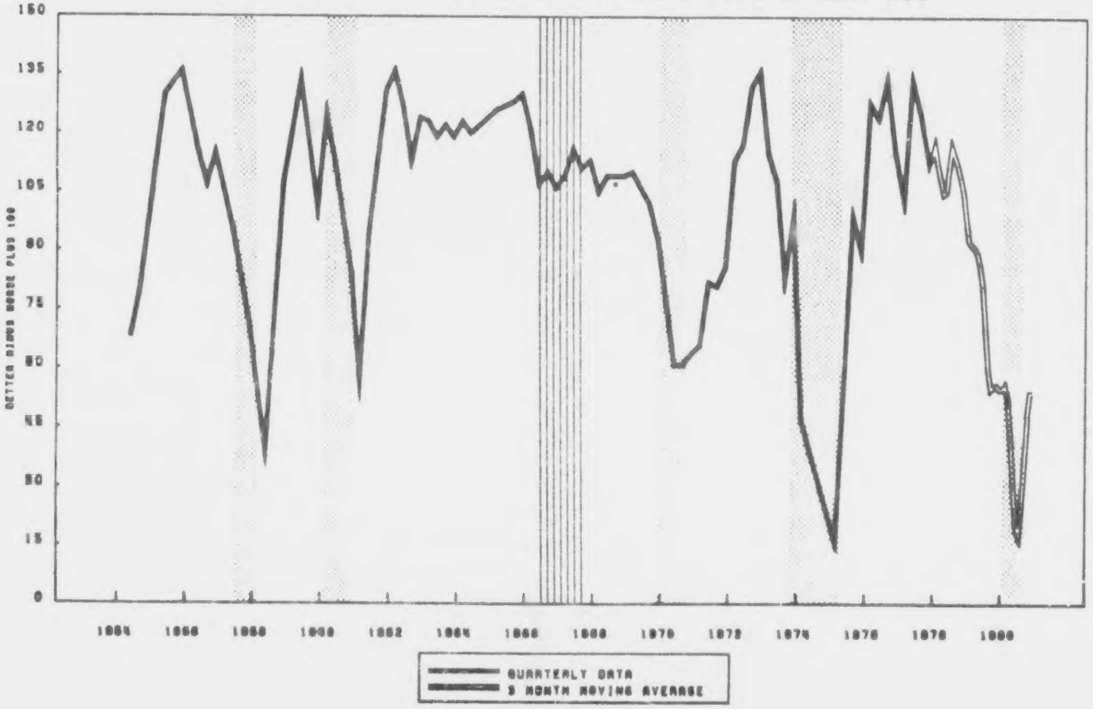


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
BETTER NOW	19%	21%	21%	21%	15%	10%	6%	4%	10%	15%	18%	23%	21%
SAME	13	12	14	10	12	10	4	5	4	7	10	10	10
WORSE NOW	66	65	62	67	69	79	90	90	85	77	70	64	67
DK,NA	2	2	3	2	4	1	*	1	1	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

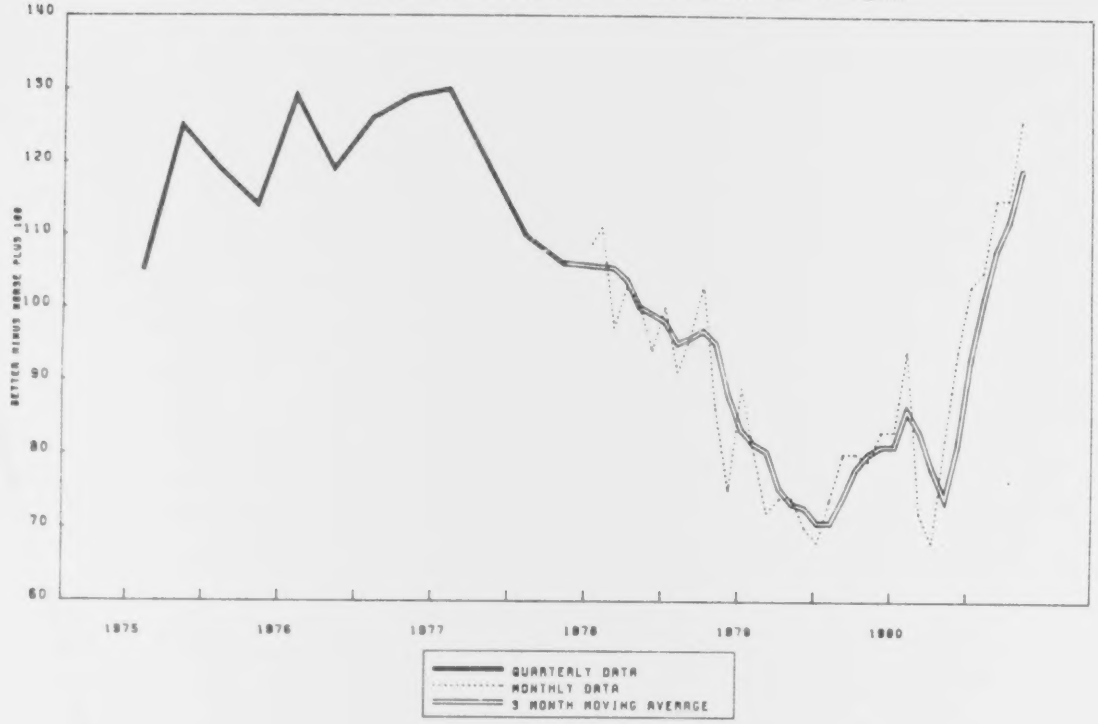


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

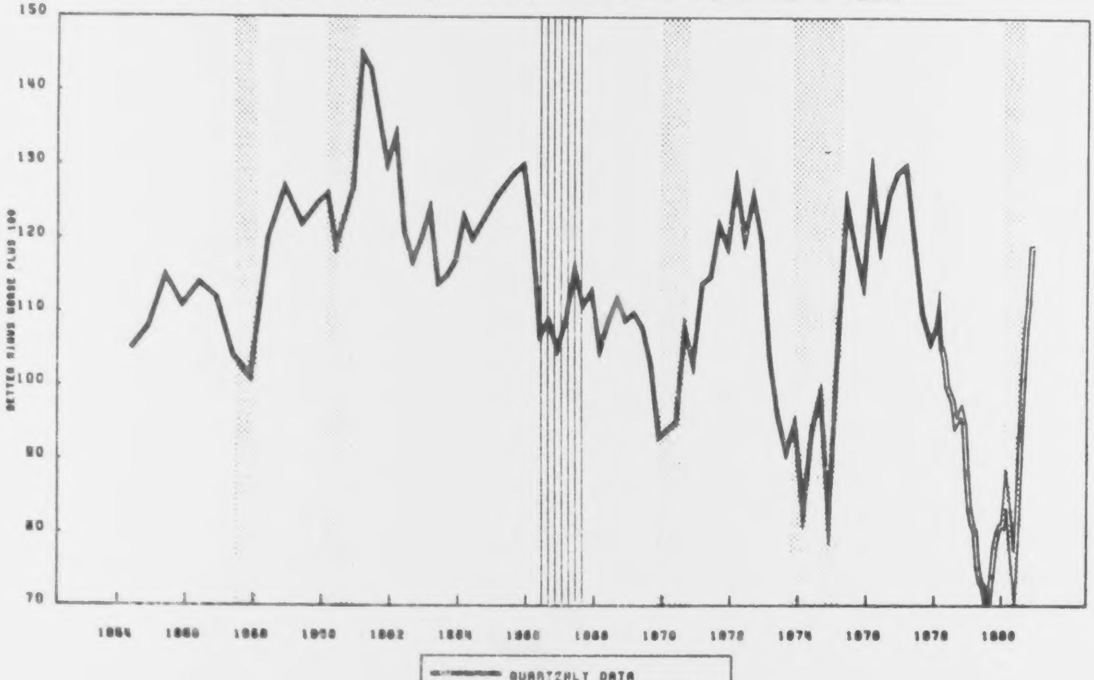


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
BETTER	15%	17%	17%	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%
SAME	47	43	45	49	42	37	37	38	43	44	47	44	42
WORSE	36	36	35	27	42	46	39	32	25	23	17	18	14
DK,NA	2	4	3	3	2	3	3	4	4	5	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
FAVORABLE REASONS:													
Government; elections	9%	na	na	11%	na	8%	11%	10%	15%	14%	15%	16%	34%
Employment	2			4		2	2	3	4	4	5	5	5
Higher consumer demand	2			3		1	3	1	2	3	4	5	3
Lower prices	2			1		3	2	3	1	1	3	3	2
Easier credit	2			1		1	4	5	2	3	3	2	3
UNFAVORABLE REASONS:													
Government; elections	8			13		15	7	7	12	7	7	11	7
Unemployment	9			5		11	14	12	10	7	6	4	5
Higher consumer demand	7			7		6	5	5	6	7	3	2	2
Higher prices	23			16		25	14	10	9	14	10	10	8
Tighter credit	7			3		12	6	4	2	2	2	2	2
Energy crisis	6			6		3	2	1	1	1	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

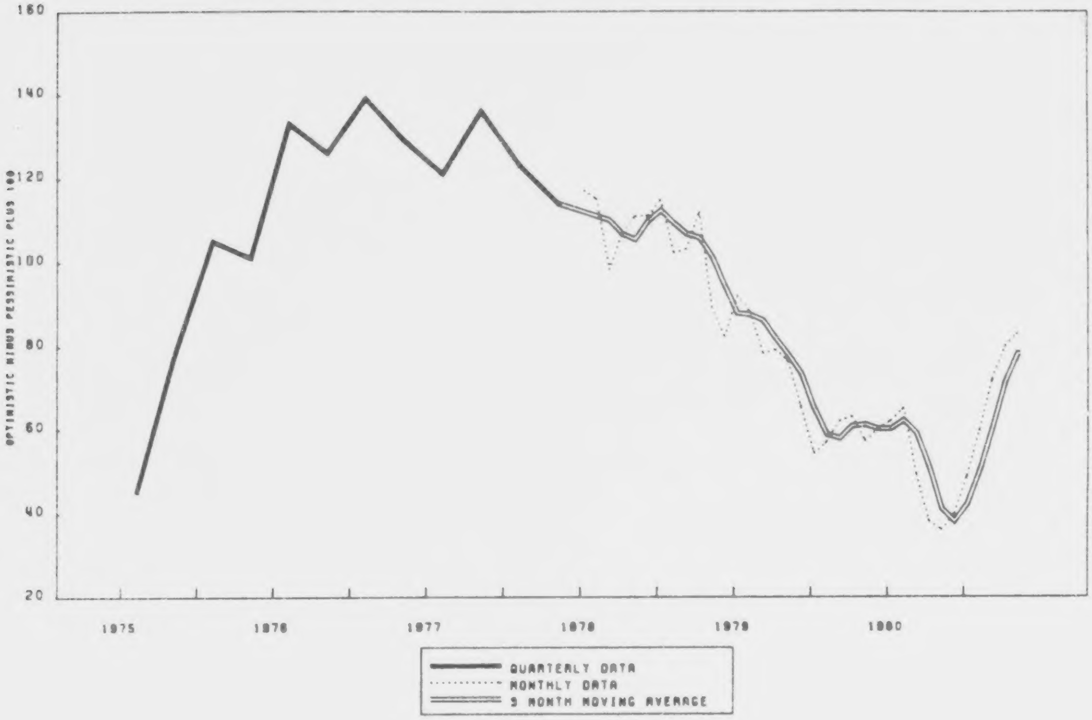


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

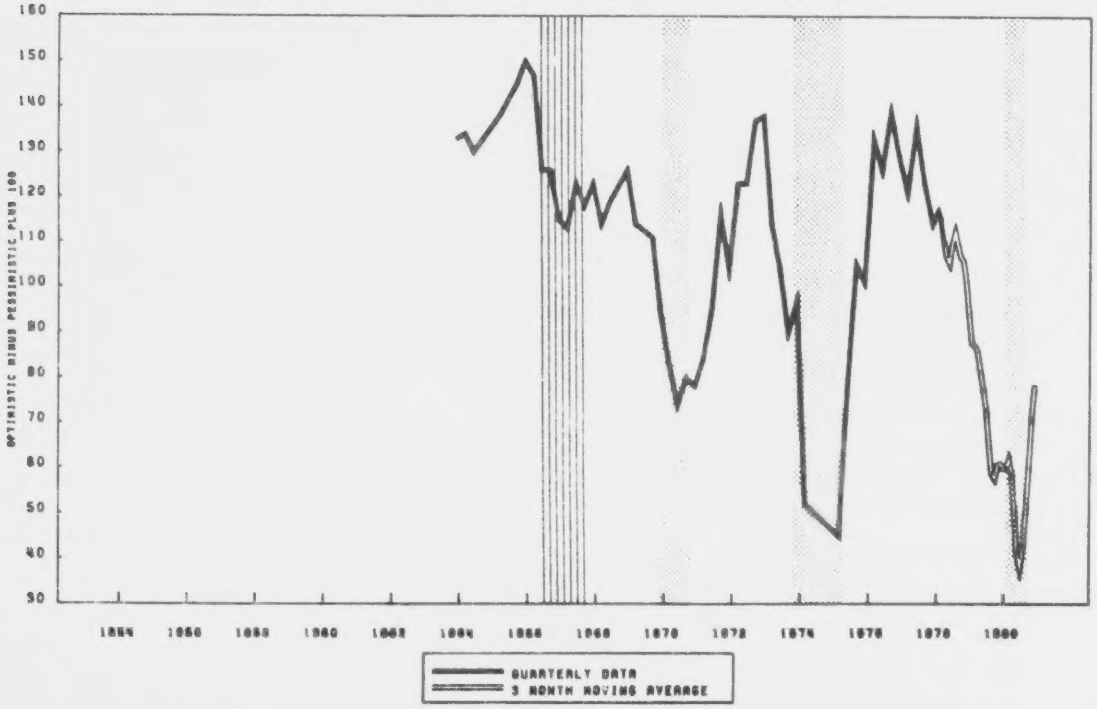


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
TREND:													
Continuous increase (a)	4%	5%	6%	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%
Intermittant increase (b)	12	12	10	12	9	6	5	4	7	9	10	13	14
Remain unchanged (c)	8	6	9	6	6	3	1	2	1	3	6	5	4
Intermittant decline (d)	30	29	30	33	31	32	34	35	37	35	33	28	29
Continuous decline (e)	29	28	24	22	32	41	36	30	23	19	14	14	13
Mixed change (f)	14	14	16	15	14	10	20	23	26	23	23	23	24
DK,NA	3	6	5	4	5	4	3	5	4	6	5	8	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

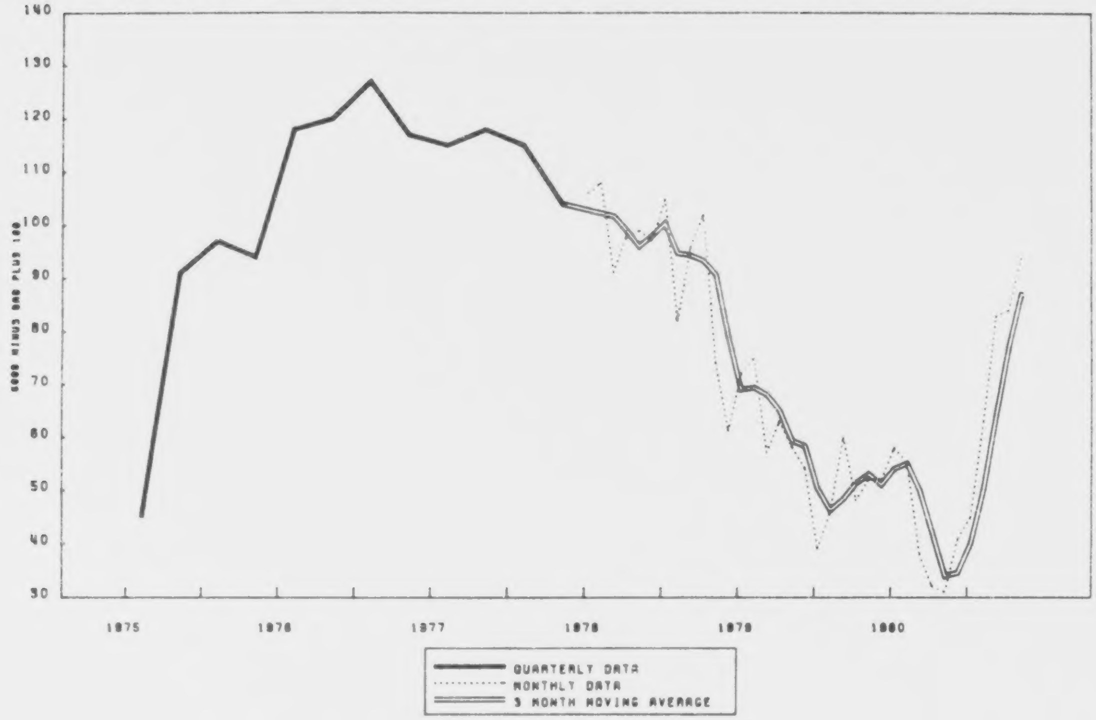


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

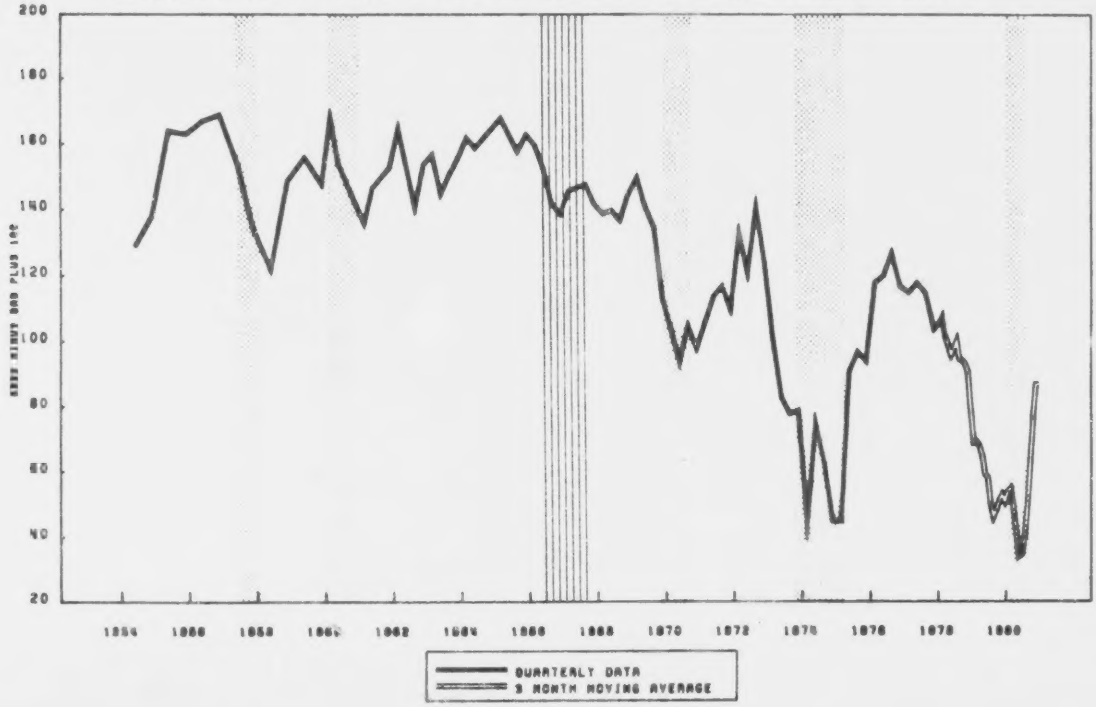


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIMES	20%	19%	24%	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%
UNCERTAIN; GOOD & BAD	3	2	1	1	1	1	1	1	1	2	2	2	2
BAD TIMES	68	69	66	67	76	79	82	75	74	62	52	49	45
DON'T KNOW	4	4	4	5	4	4	3	4	4	7	7	8	8
NOT ASCERTAINED	5	6	5	5	5	5	1	2	2	4	4	8	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

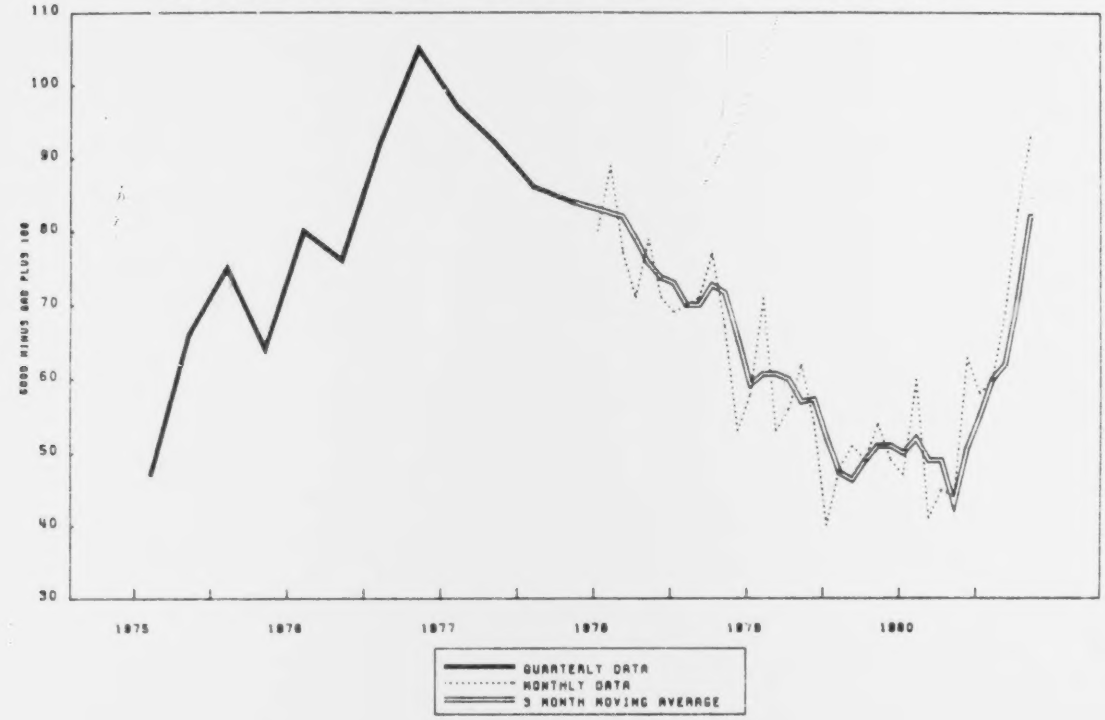


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

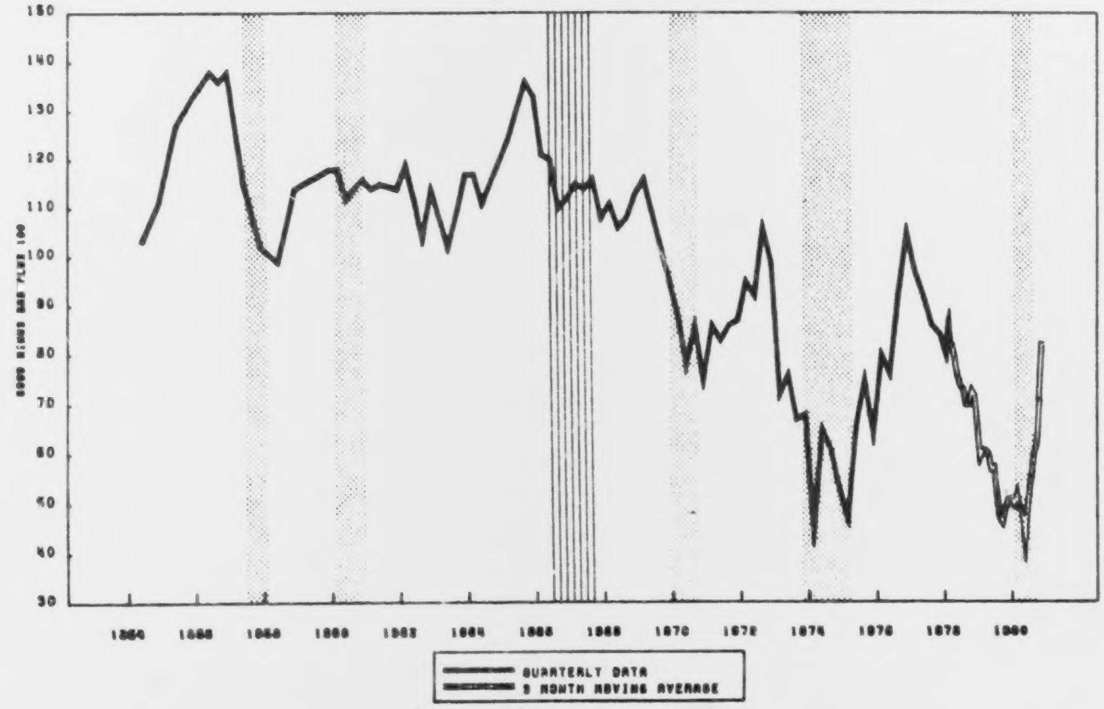


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIMES	18%	15%	17%	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%
UNCERTAIN; GOOD & BAD	12	15	9	14	10	12	10	12	13	16	14	19	15
BAD TIMES	64	65	70	61	72	69	71	59	61	59	56	44	43
NOT ASCERTAINED	6	5	4	4	5	5	4	7	7	6	5	10	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

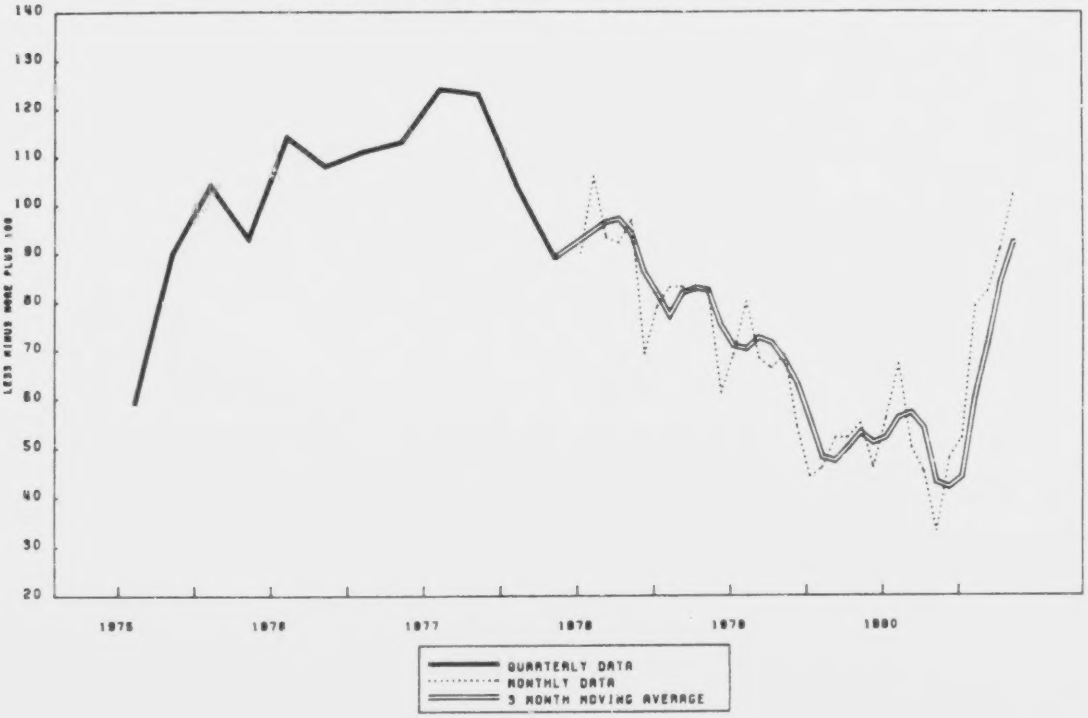


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

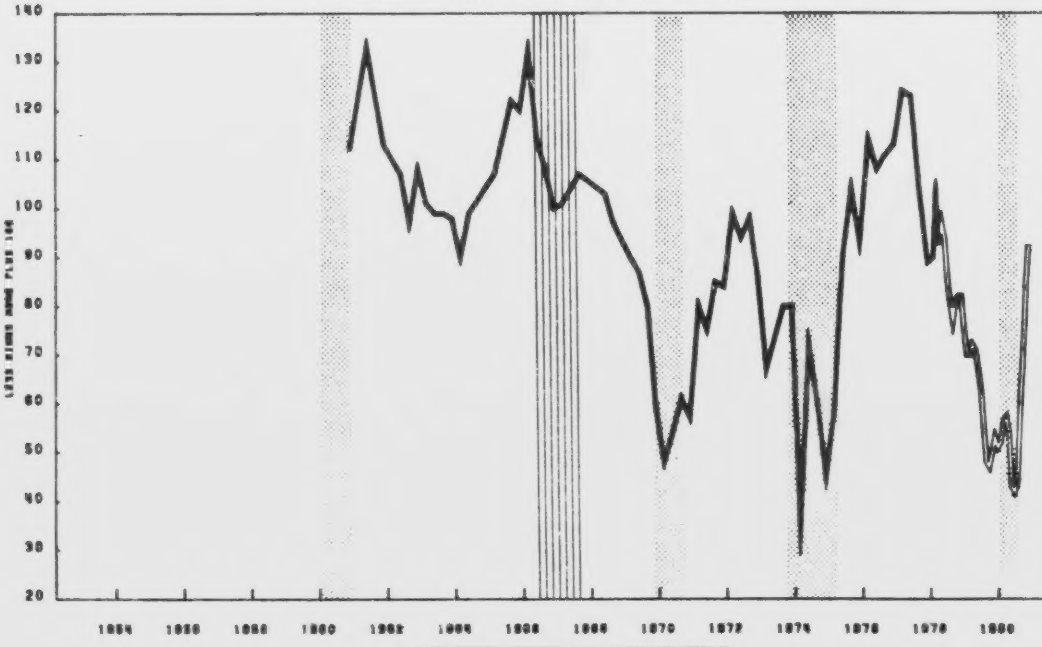


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
LESS	8%	8%	9%	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%
SAME	36	30	34	38	35	29	23	25	30	38	36	46	47
MORE	54	61	54	46	57	62	72	63	59	40	40	30	24
DK,NA	2	1	3	3	1	2	*	1	*	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

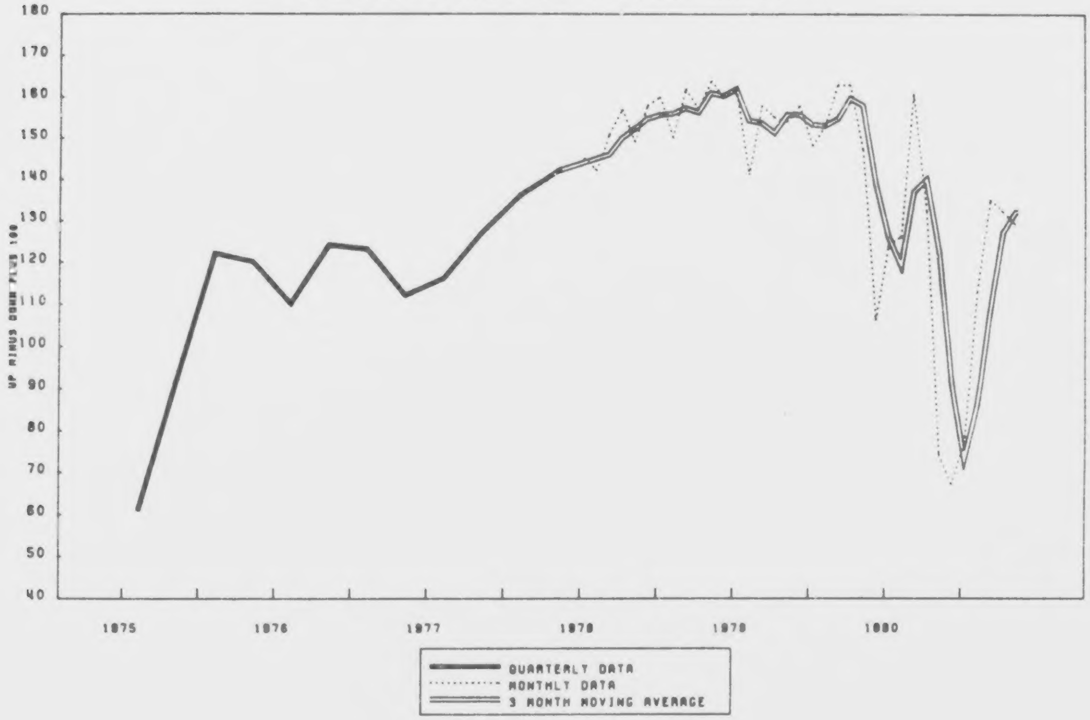


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

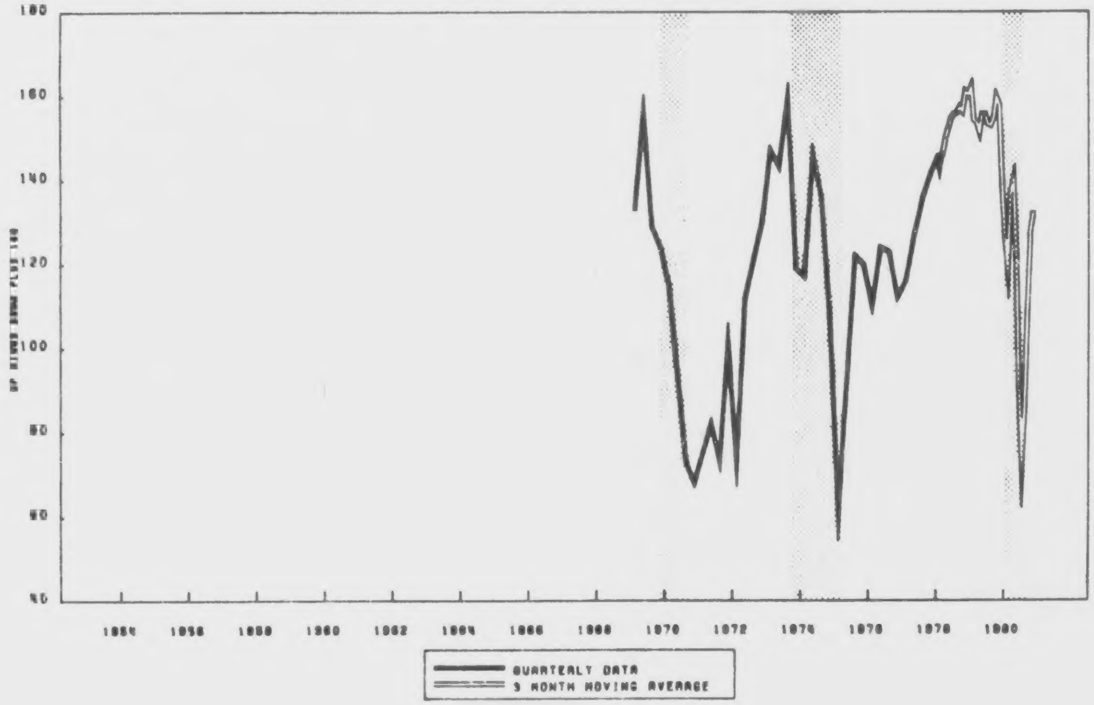


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GO UP	62%	40%	45%	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%
STAY THE SAME	20	22	30	29	16	18	20	22	31	30	25	26	22
GO DOWN	15	34	21	21	10	24	52	54	44	26	18	17	22
DK,NA	3	4	4	3	3	2	2	3	4	5	4	8	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

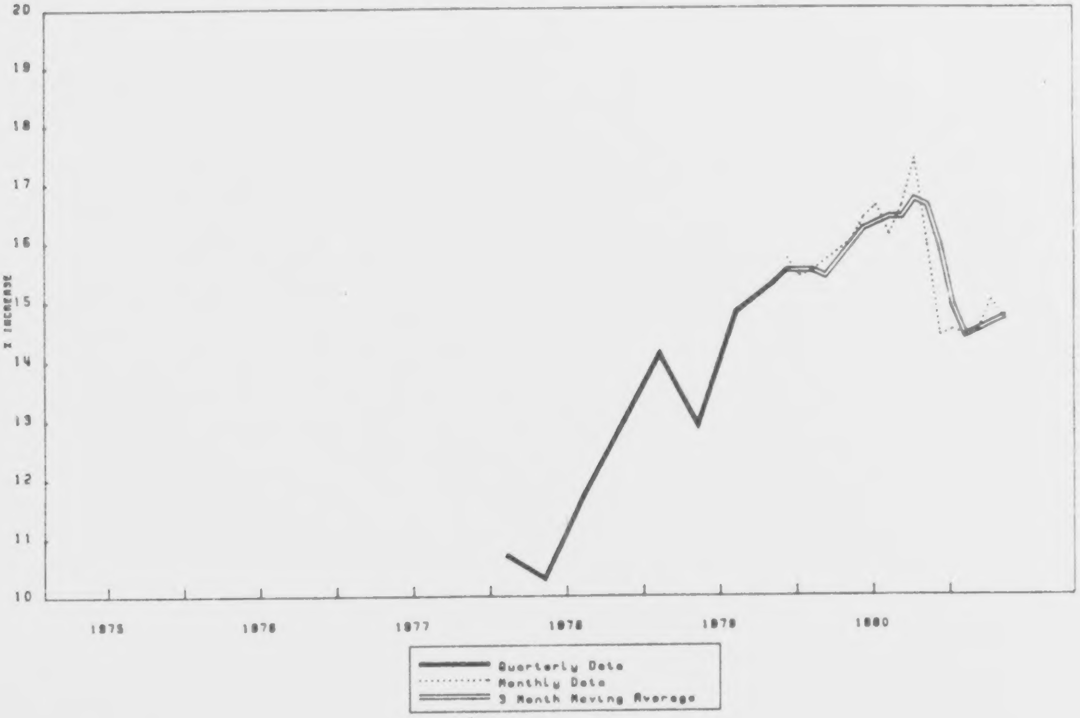


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
SAME OR DOWN	2%	1%	1%	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%
GONE UP BY:													
1-2%	1	3	1	1	2	2	1	1	3	2	2	3	2
3-4%	3	3	4	3	5	3	4	3	5	6	5	4	4
5%	5	5	6	6	6	5	5	6	7	8	7	11	7
6-9%	10	10	6	9	8	9	6	10	11	12	9	11	12
10-14%	31	33	32	28	25	24	27	25	22	20	24	23	27
15% or more	34	31	35	38	41	43	37	33	29	32	31	32	29
DK how much up	14	14	15	12	11	12	15	15	18	15	17	14	16
DK,NA	*	*	*	*	*	*	*	1	1	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.0	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7
VARIANCE	162	188	176	149	167	179	175	140	168	160	151	169	161
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

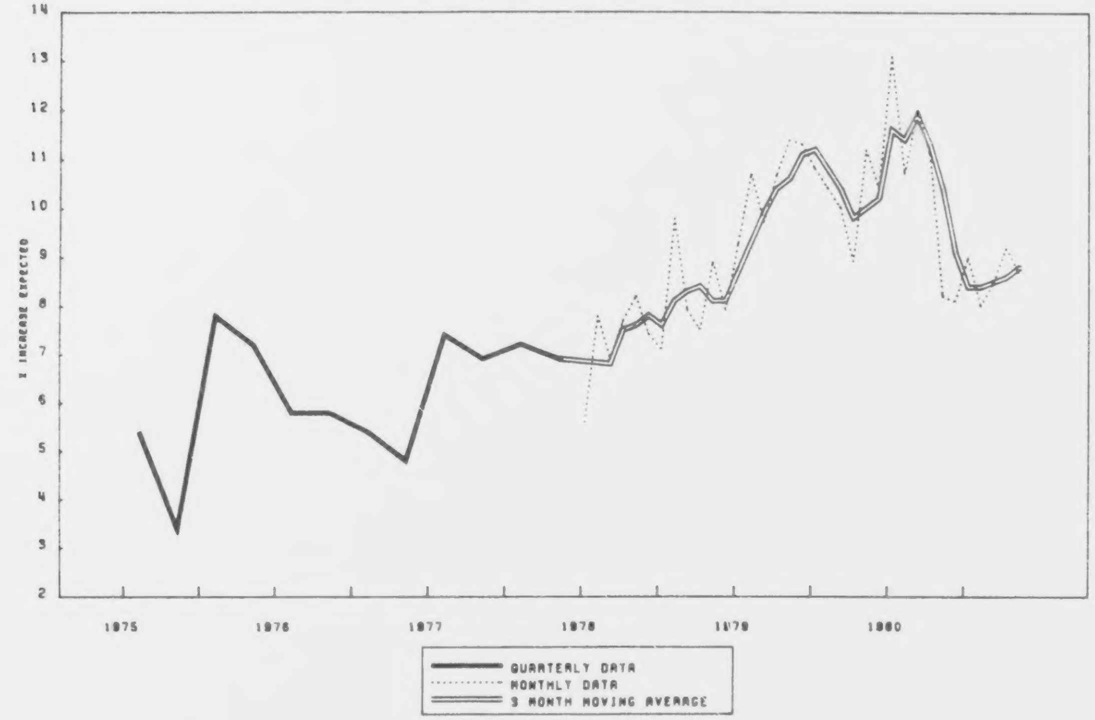


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

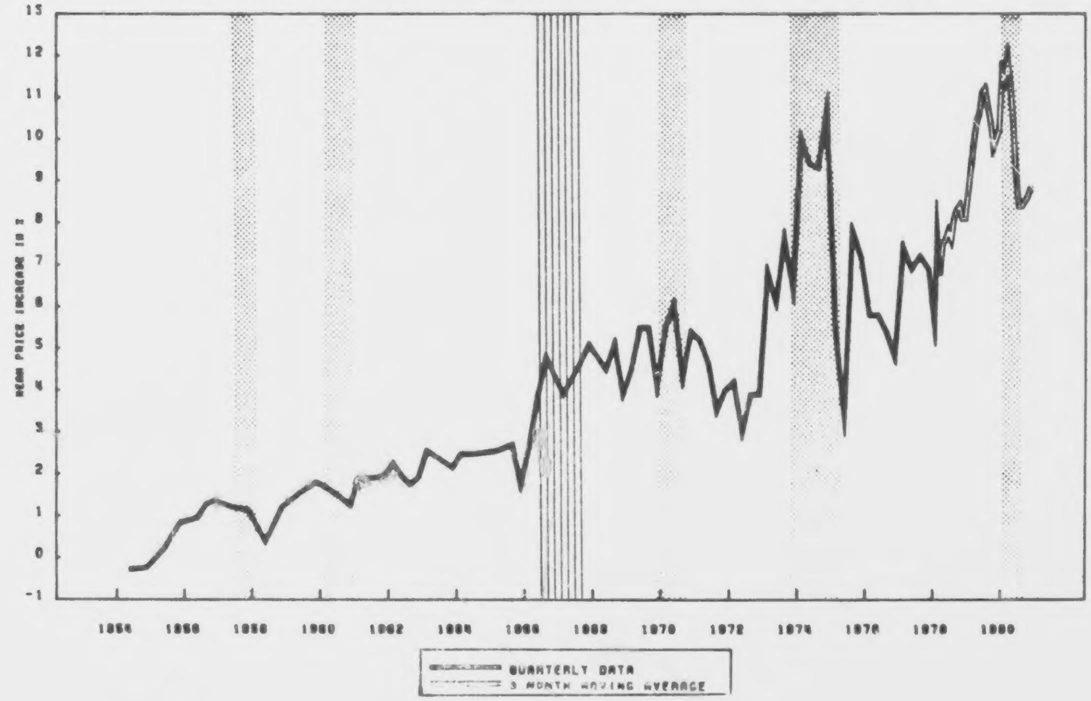


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
SAME OR DOWN	12%	14%	9%	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%
WILL GO UP BY:													
1-2%	2	3	2	4	3	2	1	3	3	6	5	3	3
3-4%	5	4	4	4	4	3	4	6	5	7	5	6	5
5%	7	7	7	11	8	7	9	7	8	11	11	10	8
6-9%	13	13	12	12	9	8	9	10	10	12	10	10	12
10-14%	29	28	28	31	26	24	17	20	21	24	23	24	20
15% or more	19	19	25	19	27	25	18	14	15	10	13	16	14
DK how much up	12	9	11	10	7	9	10	10	13	11	13	9	11
DK,NA	1	3	2	1	3	2	1	3	3	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7
VARIANCE	111	103	139	84	122	125	92	89	95	71	68	100	102
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

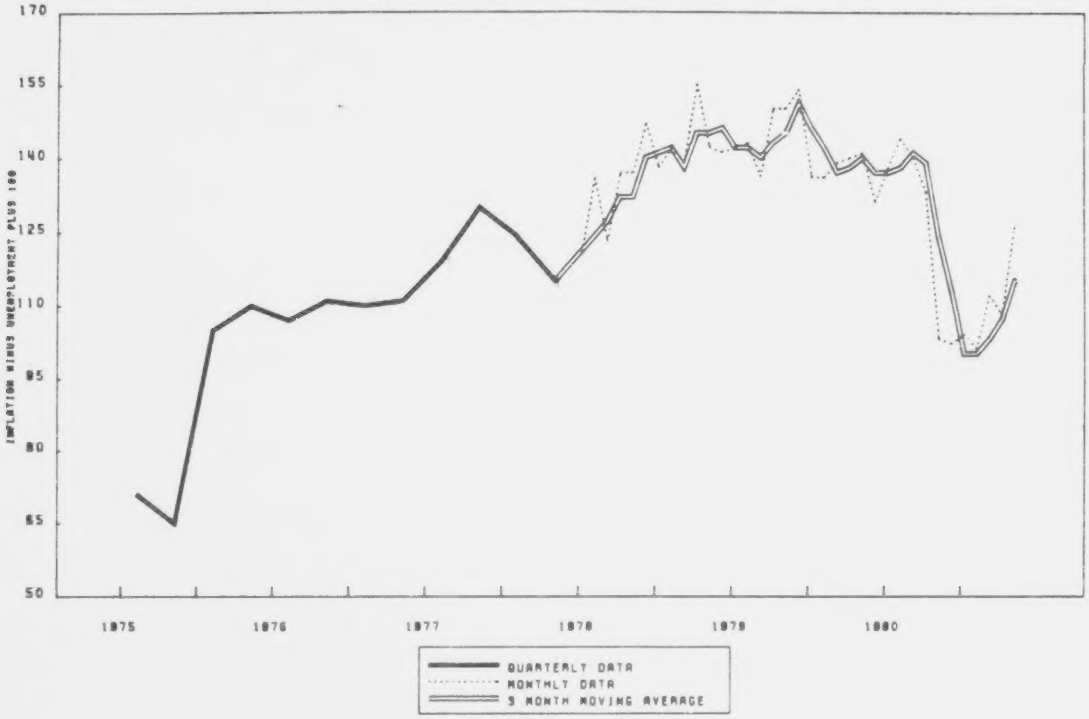


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

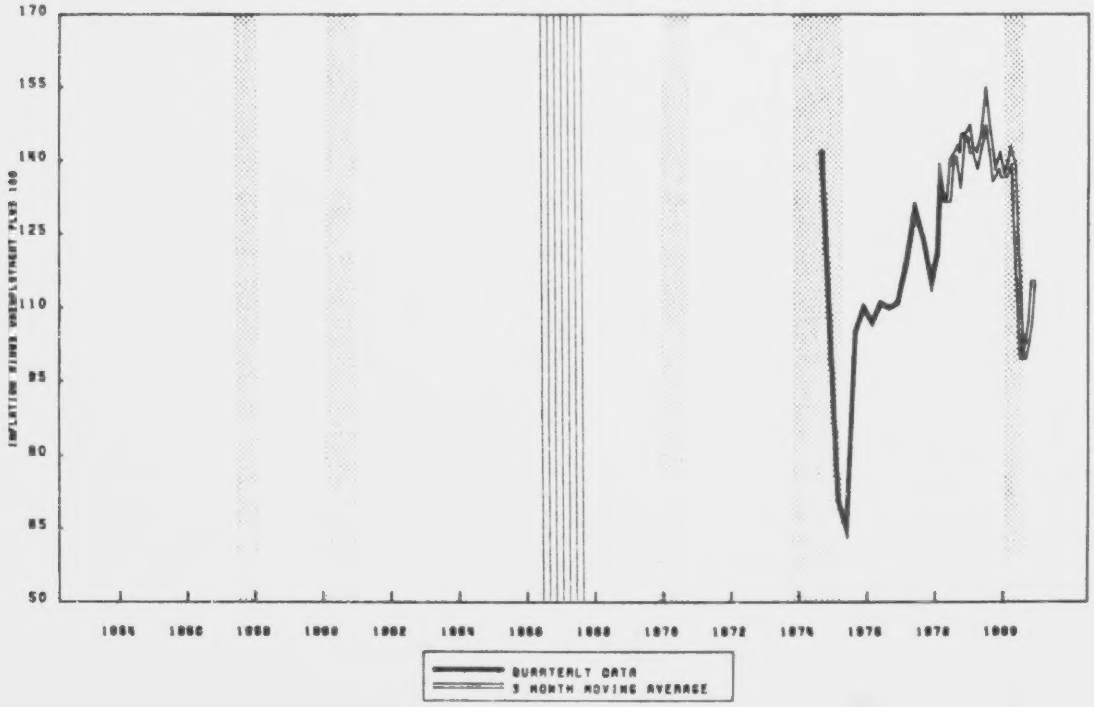


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
UNEMPLOYMENT	24%	29%	26%	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%
BOTH EQUALLY SERIOUS	8	9	7	7	8	14	16	11	11	10	9	11	11
INFLATION	65	60	64	68	65	59	43	45	41	44	50	48	57
DK,NA	3	2	3	1	2	1	1	1	3	3	3	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

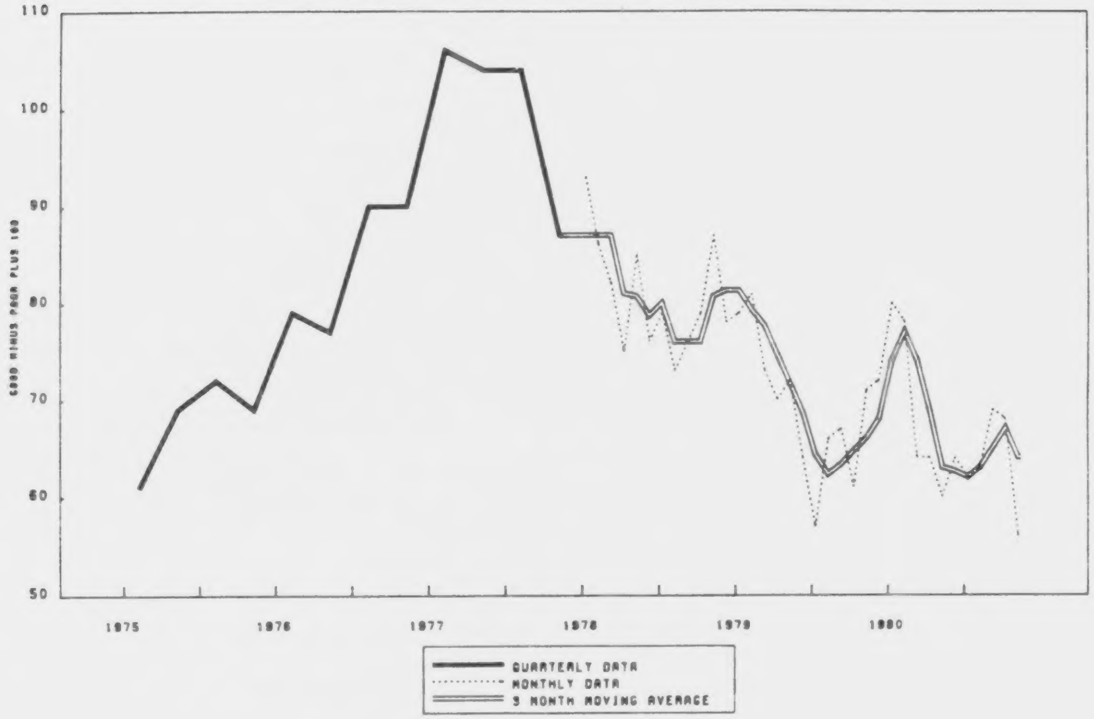


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

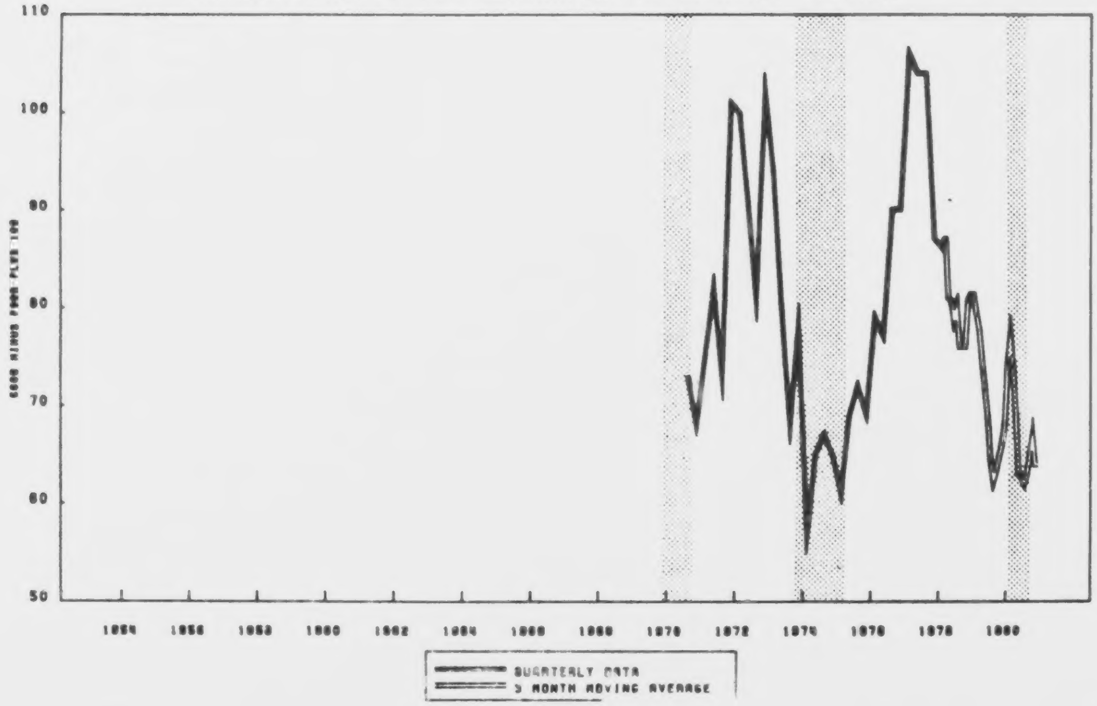


TABLE 25

OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
A GOOD JOB	10%	9%	11%	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%
ONLY FAIR	47	49	54	51	46	48	48	40	41	45	46	50	41
A POOR JOB	39	38	31	34	43	42	45	46	47	45	41	40	50
DK,NA	4	4	4	3	4	4	2	4	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

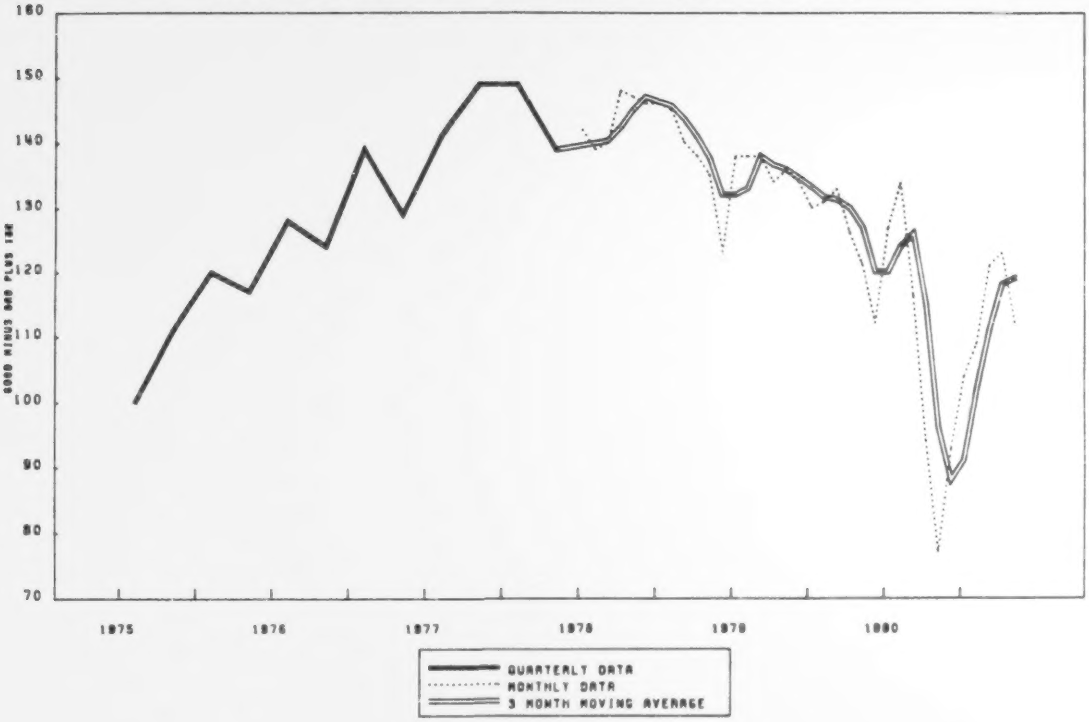


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

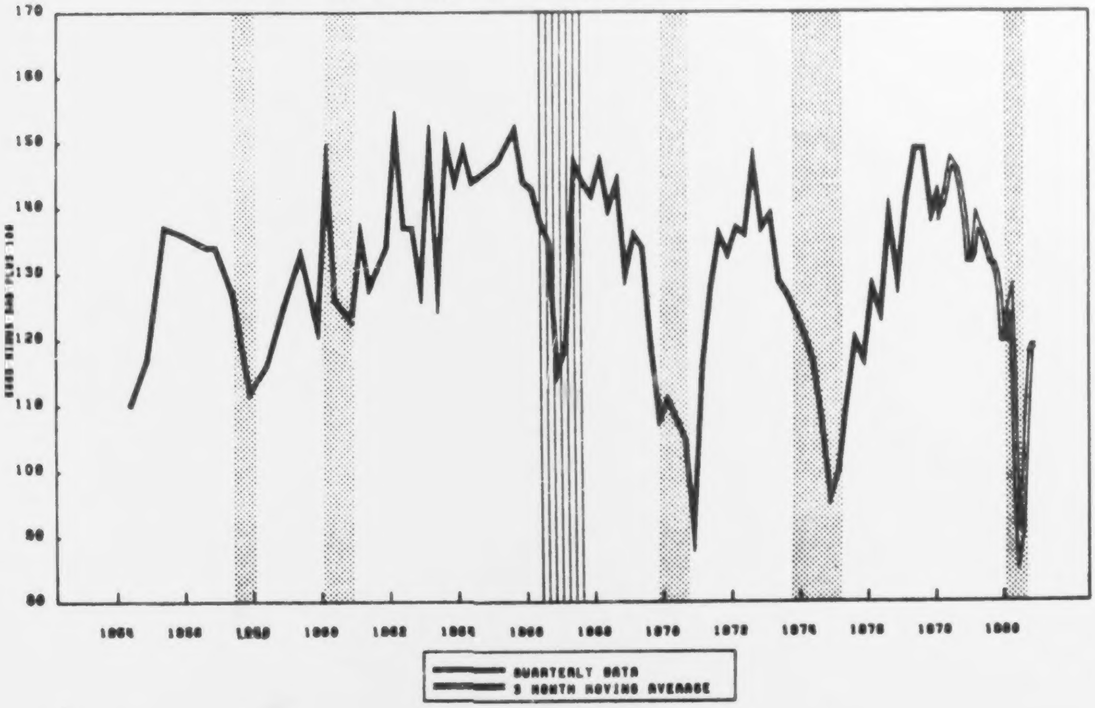


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY	53%	52%	60%	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%
UNCERTAIN, DEPENDS	14	6	7	14	8	12	7	11	16	15	17	13	12
BAD TIME TO BUY	33	42	33	26	38	47	58	48	40	38	31	32	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	12%	17%	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%
Prices won't come down; are going higher	27	38	47	33	43	28	23	26	22	27	31	30	31
Interest rates low; credit is easy	2	3	3	3	5	3	2	3	5	5	3	4	2
BAD TIME TO BUY:													
Prices are high	20	25	20	16	23	30	34	29	23	23	20	16	23
Interest rates are high; credit is tight	13	17	12	11	19	28	31	24	19	16	13	17	17
Lack of purchasing power	9	15	19	8	12	14	16	15	20	14	12	11	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

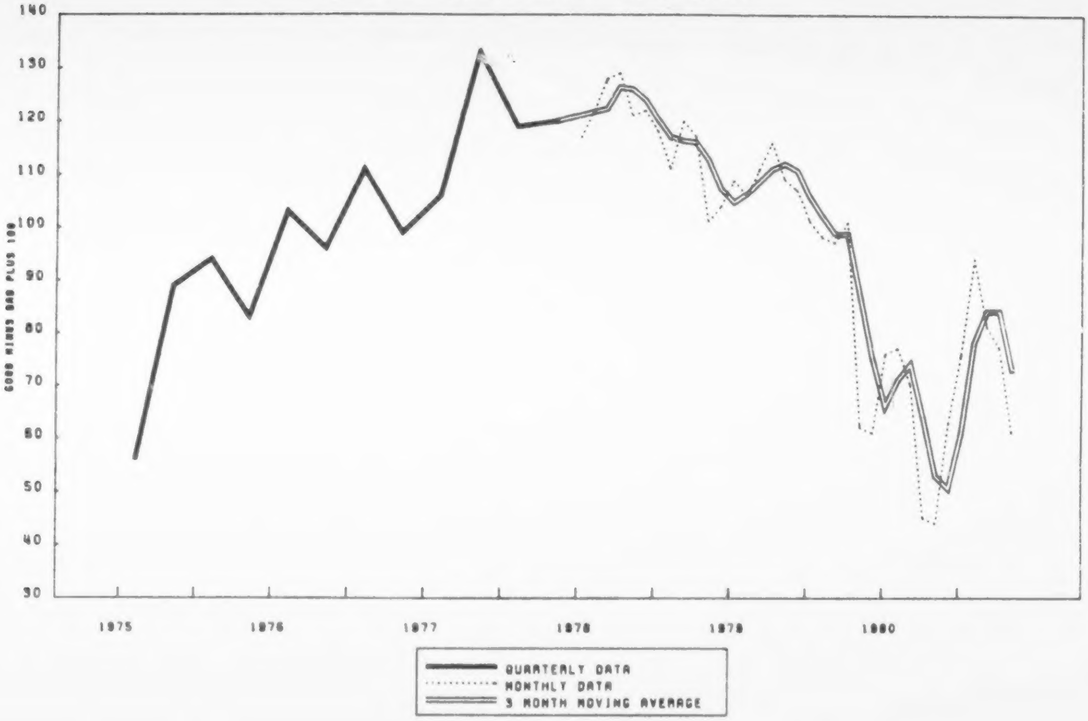


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

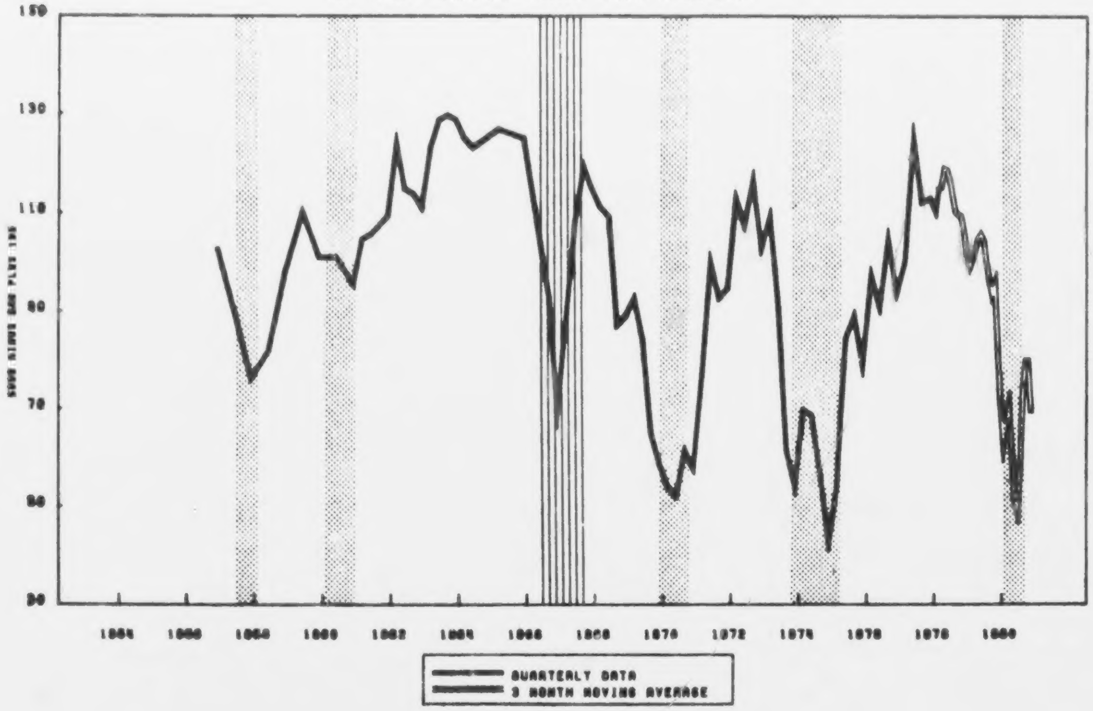


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY	28%	28%	36%	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%
UNCERTAIN, DEPENDS	6	6	4	5	6	7	8	5	8	6	5	5	5
BAD TIME TO BUY	66	66	60	59	62	74	74	66	58	50	57	59	67
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	na	na	4%	na	4%	3%	6%	9%	9%	7%	4%	4%
Prices won't come down; are going higher	17			20		8	8	11	12	14	17	17	16
Interest rates low; credit is easy	8			9		3	6	16	23	28	22	16	10
Good investment	8			12		9	7	5	6	10	9	8	7
BAD TIME TO BUY:													
Prices are high	31			30		31	30	27	30	26	29	27	28
Interest rates are high; credit is tight	68			56		76	75	66	53	41	50	56	66
Lack of purchasing power	9			8		8	9	10	15	12	11	12	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

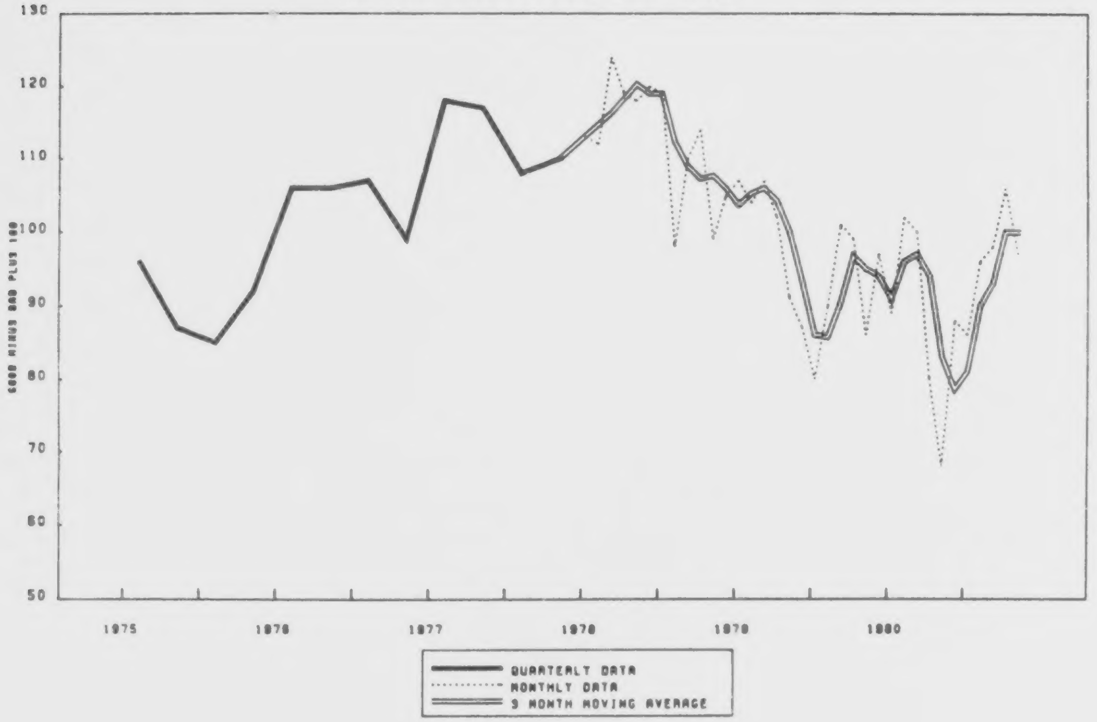


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

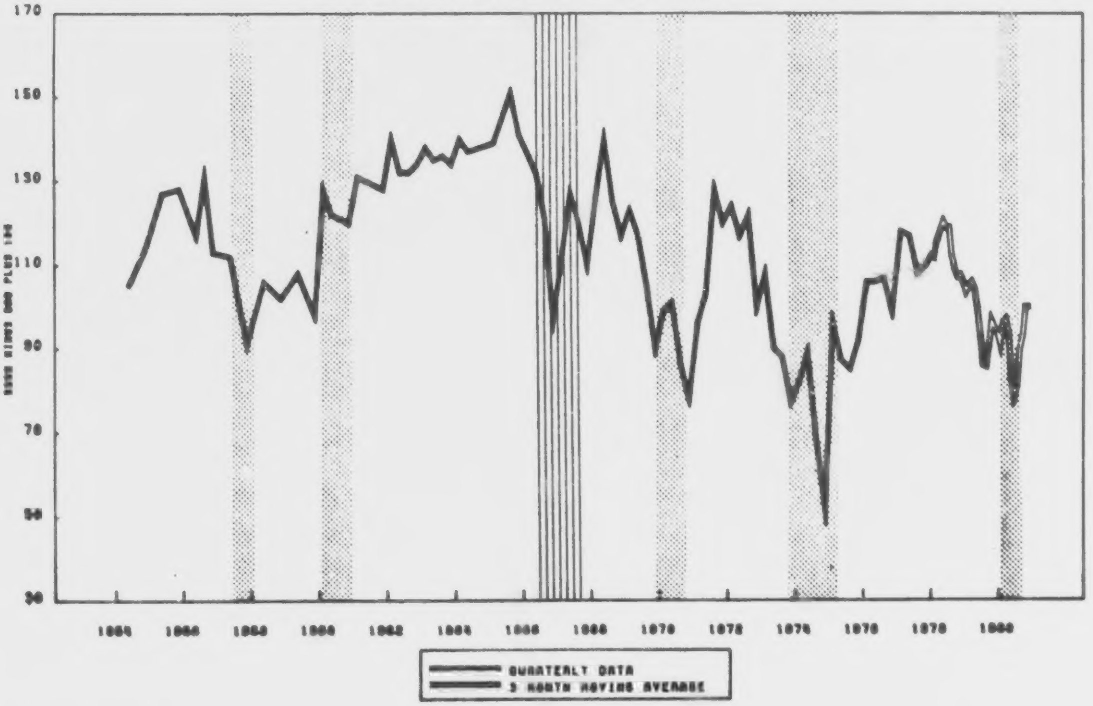


TABLE 30

BUYING CONDITIONS FOR CARS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY	38%	44%	40%	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%
UNCERTAIN; DEPENDS	10	9	10	8	10	10	10	14	14	12	14	16	15
BAD TIME TO BUY	52	47	50	45	45	55	61	49	50	46	44	39	44
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327	850	769	1019	707	719	703	688	668	658	682	685	694

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	14%	20%	13%	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%
Prices won't come down; are going higher	16	20	22	19	22	10	8	9	13	12	19	17	16
Interest rates low; credit is easy	2	1	2	3	3	4	1	3	4	4	4	3	3
New fuel efficient models	8	10	8	14	13	12	6	5	3	7	9	12	7
BAD TIME TO BUY:													
Prices are high	30	27	31	22	25	32	30	24	27	27	31	23	28
Interest rates are high; credit is tight	18	18	13	14	17	24	29	22	11	11	10	14	17
Lack of purchasing power	6	7	9	4	6	6	7	6	9	9	6	8	7
Price of gas; shortages	10	13	19	13	16	16	15	9	6	5	5	4	4
Poor selection; quality	8	8	10	10	9	8	7	10	13	13	11	13	10

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
PROBABLY WILL BUY	16%	na	na	20%	na	16%	13%	12%	17%	16%	16%	15%	17%
CHANCES ARE EVEN	6			8		7	7	8	5	7	6	7	6
PROBABLY WILL NOT BUY	68			62		69	67	68	67	61	70	67	66
DK, NA	10			10		8	13	12	11	16	8	11	11
TOTAL	100%			100%		100%	100%	100%	100%	100%	100%	100%	100%
CASES	1327			1019		719	703	688	668	658	682	685	694

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	22%	na	na	28%	na	23%	20%	20%	22%	23%	22%	22%	23%
PURCHASE TYPE:													
Buy new	9			14		11	7	9	10	8	11	12	11
Buy used	11			12		9	9	7	11	12	9	7	9
Lease	1			1		2	1	1	1	1	1	2	*
DK,NA	1			1		1	3	3	*	2	1	1	3
PURCHASE TIMING:													
Next 3 months	4			2		4	2	1	5	3	1	3	4
Next 4-6 months	4			7		6	6	6	5	5	6	4	3
Next 7-9 months	5			7		6	5	5	3	4	2	7	6
10 months or more	5			6		2	3	5	4	4	4	4	4
DK,NA	4			6		5	4	3	5	7	9	4	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	68%	na	na	62%	na	69%	67%	68%	67%	61%	70%	67%	66%
PURCHASE TYPE:													
Would buy new	41			36		40	39	38	40	35	38	44	38
Would buy used	25			24		26	25	27	24	24	30	20	26
DK,NA	2			2		3	3	3	3	2	2	3	2
PURCHASE TIMING:													
Less than 2 years	7			7		8	7	6	4	6	5	5	6
2 years	18			21		14	17	21	20	18	23	20	23
3 years	11			7		12	10	11	10	8	12	15	11
4 years or more	19			17		20	19	20	21	21	18	15	15
Indefinite	6			3		6	4	3	4	4	4	3	5
DK,NA	7			7		9	10	7	8	4	8	9	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U 7475-2

NOVEMBER 1980 SURVEY

December 10, 1980

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

DIVERGENT TRENDS SLOW IMPROVEMENT IN CONSUMER SENTIMENT

** In the post-election November 1980 Survey of Consumer Attitudes, the Index of Consumer Sentiment was 76.7, an insignificant improvement above the 75.0 recorded in October, but nearly 10 Index points above the three-month earlier reading of 67.3 in August 1980. Although the rate of improvement has greatly slowed, the November survey represents the sixth consecutive monthly increase, setting a record 25 Index point improvement from the May 1980 low.

** The pace of improvement has slowed as the result of off-setting shifts in consumer attitudes and expectations. In the November survey, consumer evaluations of current buying conditions grew less favorable, mainly due to heightened concern over rising interest rates. While at the same time, expectations for future improvement in business conditions grew more favorable, due to consumers' optimistic expectations of the incoming Reagan administration.

** Among families with incomes of $20,000 or more, the Index was 82.7 in the November 1980 survey, significantly above the 76.3 recorded in October, and 70.9 in August 1980. Sentiment among residents of the Northeast region declined somewhat in November to 71.1 from 75.7 in the October 1980 survey; in contrast, a sharp improvement was recorded among residents of the Western region, recording an Index figure of 81.9 in the November survey, up from 73.1 in October 1980.

** Expected changes in personal finances and business conditions were more favorable in the November 1980 survey than at any time during the past several years. Among all families, 35 percent expected to be better off financially (up from 21 percent in November 1979), and 40 percent expected business conditions to improve in November 1980 (up from 15 percent in November 1979).

** Attitudes toward market conditions toward household durables, cars, and houses each declined in the November 1980 survey. Buying conditions for large household durables were viewed as favorable by 50 percent of all families in November, down from 55 percent in October 1980 and 53 percent in November 1979.

* * *

Although the post-election November monthly survey recorded the sixth consecutive improvement in consumer sentiment, it was small and masked divergent trends in attitudes and expectations. The rapid improvement in expected business conditions was due to the hope of an improved economy under the Reagan administration, not on actual improvement, while evaluations of current market conditions have grown less favorable due to tight credit conditions. Given recent increases in interest rates, and the ephemeral nature of the presidential honeymoon, it is likely that consumer sentiment will follow a volatile path during the coming months. The data suggest that consumer sales will improve during the year ahead, but the expansion will be cautious and responsive to changes in credit conditions. At this time, it is not so much a matter of consumer unwillingness to purchase as consumer inability to purchase, especially in terms of credit conditions. The potential tax cut coupled with lowered interest rates in 1981 would greatly strengthen the path of recovery.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

Consumer evaluations of their personal financial situation were less favorable in November 1980 than one or three months earlier. Among all families, 45 percent felt their financial situation had worsened during the prior year in November 1980, up from 40 percent in October and August 1980. The decline in favorable evaluations reversed much of the improvement recorded since mid-1980, and left personal financial evaluations nearly identical to year earlier levels.

In sharp contrast to the renewed dissatisfaction with their current financial situation, consumers more frequently expected improvement in their financial situation during the year ahead. In November 1980, 35 percent of all families expected an improved financial situation, up from 25 percent in October 1980, and 21 percent in November 1979. In November 1980, twice as many respondents expected to be better off rather than worse off financially (35 versus 17 percent) in the year ahead. This represents a significant improvement from one year earlier, when families more frequently expected to be worse off rather than better off financially (24 versus 21 percent). Personal financial expectations are now more favorable than at any time during the past three years, nearly equaling the 1976 cyclical peak level, when 35 percent expected to be better off financially and 11 percent expected to be worse off financially in the year ahead.

Expected increases in nominal family income remained at high levels in the November 1980 survey. Among all families, 33 percent expected income increases of 10% or more during the next year in November 1980, up from 25 percent in November 1979. Real income expectations were also more favorable in the November 1980 survey than a year earlier. Among all families, 16 percent expected real income increases in November, up from 10 percent in November 1979, while 40 percent expected real income declines in November, down from 49 percent in November 1979.

Business Conditions

Two-in-three consumers rated business conditions in November 1980 as worse than those of a year earlier. After posting rapid improvement from the mid-1980 low, the November survey signals a sharp slowdown in that rate of improvement. In June 1980, 90 percent of all families reported declines in business conditions. During the next four months, the proportion reporting declines rapidly fell to 64 percent by October, and then rose slightly to 67 percent in November 1980. Respondents more frequently reported that they had not heard of any recent changes in business conditions in the November survey

(47 percent, up from 33 percent in October 1980), and among respondents who had heard of recent changes, these reports were less frequently dominated by unfavorable news.

The outlook for future business conditions continued to grow more favorable in the November 1980 survey. Among all families, 40 percent in November expected business conditions to improve during the year ahead, up from 33 percent in October 1980, and 15 percent in November 1979. Among all families, just 14 percent in November expected business conditions to worsen during the year ahead, down from 18 percent in October 1980, and 36 percent in November 1979. Expected changes in business conditions are now more favorable than at any time during the past three years. When asked why they expected business conditions to improve during the year ahead, fully one-in-three respondents in the November 1980 survey spontaneously mentioned the recent presidential election, and the potential impact of changes in government economic policies.

Good times financially in the economy as a whole in both the near and longer terms were more frequently expected in the November 1980 survey than at any time in the past several years, although an overall favorable outlook is still not the majority viewpoint. Among all families, 39 percent expected good times financially in the economy as a whole during the next 12 months, up from 33 percent in October, and 20 percent in November 1979. Bad times financially during the next 12 months were expected by 45 percent in November 1980, down from 49 percent in October, and 68 percent in November 1979. The last survey to record the majority holidng favorable short-term business expectations was conducted in 1972; this is in sharp contrast to the 1950s and 1960s when nearly every survey found the majority of consumers to have favorable short-term business expectations.

Business conditions expected during the next five years grew more favorable in November 1980, with 36 percent of all families expecting good times financially, up from 27 percent in October, and 18 percent in November 1979. The proportion who expected bad times financially in the economy during the next five years fell to 43 percent in November 1980, from 44 percent in October, and 64 percent in November 1979. Although consumers still more frequently expected bad rather than good times financially over the longer term, the recent improvement has been significant, leaving long-term business expectations more favorable that at any time since 1976.

Impact of Presidential Election

In the November post-election survey, respondents were asked whether and for whom they had voted in the presidential election. As shown in Table 1, about two-thirds of all respondents reported that they had voted, and among those voting, the survey results were nearly identical to the national election results. Respondents who voted for Reagan were much more optimistic than Carter voters. Among Reagan voters, the Index of Consumer Sentiment was 90.7, more than 20 Index points above the 69.1 recorded among Carter voters (see Table 2). Reagan voters were much more optimistic about expected changes in both personal finances and for the economy in general in both the near and longer terms. While only small differences in assessments of their current financial situation or in assessments of the current shape of the economy, Reagan voters were much more likely to rate the performance of government economic policy as poor. Differences in voter preferences among demographic subgroups are shown in Table 3. In general, few large or significant differences were found across the various demographic groups. Reagan voters did have somewhat higher incomes, and were more likely to be male. Only small differences were noted across age subgroups.

Confidence in government economic policy reached its lowest level ever recorded under the Carter administration in the post-election November 1980 survey. Fully 50 percent of all families in November felt the government was doing a poor job with regard to the economic problems of inflation and unemployment, up from 40 percent in October 1980, and 39 percent in November 1979.

Respondents were also asked whether they expected tax cuts during the next year. In the October survey, prior to the election, just 25 percent expected a tax reduction. In the post-election November survey, the proportion who expected a tax reduction nearly doubled, and stood at 46 percent. The much more widespread expectation of a tax reduction was related to more optimistic expectations about business conditions, but not personal finances (see Table 5). Although attitudes toward buying conditions were somewhat more favorable among those who expected a tax reduction, the margin was small and largely insignificant.

Heightened Concern With Interest Rates

Expected changes in interest rates grew less favorable in the November 1980 survey. When the credit restrictions were announced in March 1980, 71 percent of all consumers expected interest rates to increase during the year ahead, which subsequently fell rapidly to 21 percent in both June and July 1980.

TABLE 1

THE PRESIDENTIAL VOTE

Candidate Respondent Voted for:	November 1980 Survey		National Election Results
	All Respondents	Voters	
Carter	28%	42%	41%
Reagan	34	50	51
Others	6	8	8
Didn't vote	25		
Not ascertained	7		
Total	100%	100%	100%
Cases	694		

The questions were: "Now two questions about the election. We often find that a lot of people aren't able to vote because they aren't registered, or they don't have time. How about you--did you vote in the November election?" (IF YES) "Who did you vote for in the presidential election?"

TABLE 2

RELATIONSHIP BETWEEN PRESIDENTIAL VOTE AND CONSUMER SENTIMENT

	Candidate Respondent Voted for:	
	Carter	Reagan
Index of Consumer Sentiment	69.1	90.7
Personal Finances		
Compared with year earlier	83*	88
Expected during next year	107	134
Business Conditions		
Compared with year earlier	53	55
Expected during next year	113	152
Expected next five years	69	127
Confidence in Government's Current Economic Policy	75	35

---

*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

Table 3

PRESIDENTIAL VOTE PREFERENCES AMONG DEMOGRAPHIC SUBGROUPS

	Candidate Respondent Voted for:			
	Carter	Reagan	Others	Total
Family Income				
Less than $10,000	49	31	20	100%
$10,000 - 14,999	48	49	3	100%
$15,000 - 19,999	44	52	4	100%
$20,000 - 24,999	43	48	9	100%
$25,000 - 34,999	27	62	11	100%
$35,000 and over	39	58	3	100%
Age				
18 - 24	36	54	10	100%
25 - 34	41	48	11	100%
35 - 44	40	48	12	100%
45 - 54	47	51	2	100%
55 - 64	45	51	4	100%
65 or older	40	49	11	100%
Education				
Less than high school	50	44	6	100%
High school graduate	44	51	8	100%
Some college	31	59	10	100%
College graduate	44	47	9	100%
Sex				
Male	33	56	11	100%
Female	48	45	7	100%

TABLE 4

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980
Yes	25%	46%
No	64	42
Uncertain; don't know	10	11
Not ascertained	1	1
Total	100%	100%
Cases	685	694

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

TABLE 5

IMPACT OF EXPECTATIONS OF TAX CUT ON CONSUMER SENTIMENT

	Whether Respondent Expected Tax Cut During Next Year	
	Yes	No
Index of Consumer Sentiment	81.2	73.6
Personal Finances		
Expected during next year	120*	119
Business Conditions		
Expected during next year	138	113
Expected next five years	104	83
Market Conditions		
Household durables	118	108
Cars	61	62
Houses	100	95

---

*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

Between June and November 1980 interest rate expectations reversed direction, with the proportion who expected increases more than doubling: in June 1980, 21 percent of all families expected interest rate increases compared with 54 percent who expected declines, but by November 1980, 51 percent expected increases compared with 22 percent who expected declines.

Price expectations remained in the 8-9% range in the November 1980 survey for the seventh consecutive month. Consumers expected prices to increase on average by 8.7% during the year ahead in November 1980, down from 9.2% in October, and 11.2% in November 1979.

Unemployment was less frequently expected to spread in the November 1980 survey, and for the first time in more than two years, consumers more frequently expected declines (26 percent) than increases (24 percent) in unemployment during the year ahead. The expectation of spreading unemployment has been dramatically reduced since its mid-1980 peak, when 72 percent expected increasing unemployment--a change of almost 50 percentage points during the past six months.

Although both unemployment and price expectations declined in the November survey, the relative emphasis has shifted back toward inflation from unemployment as the more serious economic hardship facing the nation. In Novebmer 1980, 57 percent felt inflation was the more serious economic problem, compared with 31 percent who thought unemployment was the more serious problem. Three months ago, in the August 1980 survey, nearly identical proportions (44 percent) thought unemployment and inflation was the more serious economic problem.

Buying Conditions

Favorable opinions of buying conditions for houses have declined sharply in recent months. Among all families, 28 percent rated buying conditions for houses as favorable in the November 1980 survey, down from 36 percent in October, and 44 percent in August 1980. The proportion holding unfavorable house buying attitudes increased to 67 percent in the November 1980 survey, up from 59 percent in October, and 50 percent in August. The sharp increase in unfavorable house buying attitudes can be attributed to widespread concern with high interest rates and tight credit conditions. In November 1980, 66 percent of all families mentioned unfavorable credit conditions when evaluating the housing market, up from 56 percent in October, and 41 percent in August 1980. The 66 percent recorded in November 1980 nearly equals the record level of 76 percent in April 1980 (see Chart 1).

Buying conditions for cars were viewed with less favor by consumers in the November 1980 survey. Among all families, 41 percent rated buying conditions as favorable in November 1980, down from 45 percent in October and 42 percent in August 1980. Unfavorable car buying attitudes were held by 44 percent of all families in November 1980, up from 39 percent in October. The recent increase in unfavorable car buying attitudes can be attributed to more frequent mentions of high interest rates and tight credit conditions. In the November 1980 survey, 17 percent of all families mentioned credit conditions when unfavorably evaluating car buying conditions, up from 14 percent in October and 11 percent in August 1980 (see Chart 2).

Summary Outlook

Although the post-election November monthly survey recorded the sixth consecutive improvement in consumer sentiment, the improvement was small and masked divergent trends in attitudes and expectations. The rapid improvement in expected business conditions was due to the hope of an improved economy under the Reagan administration, not on actual improvement, while evaluations of current market conditions have grown less favorable due to tight credit conditions. Given recent increases in interest rates, and the ephemeral nature of the presidential honeymoon, it is likely that consumer sentiment will follow a volatile path during the upcoming months.

The data suggest that consumer sales will improve during the year ahead, but the expansion will be cautious and responsive to changes in credit conditions. At this time, it is not so much a matter of consumer unwillingness to purchase as consumer inability to purchase, especially in terms of credit conditions. The potential tax cut coupled with lowered interest rates in 1981 would greatly strengthen the path of recovery.

The November 1980 survey included 694 interviews conducted between November 5 and November 30, 1980.

CHART 1

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

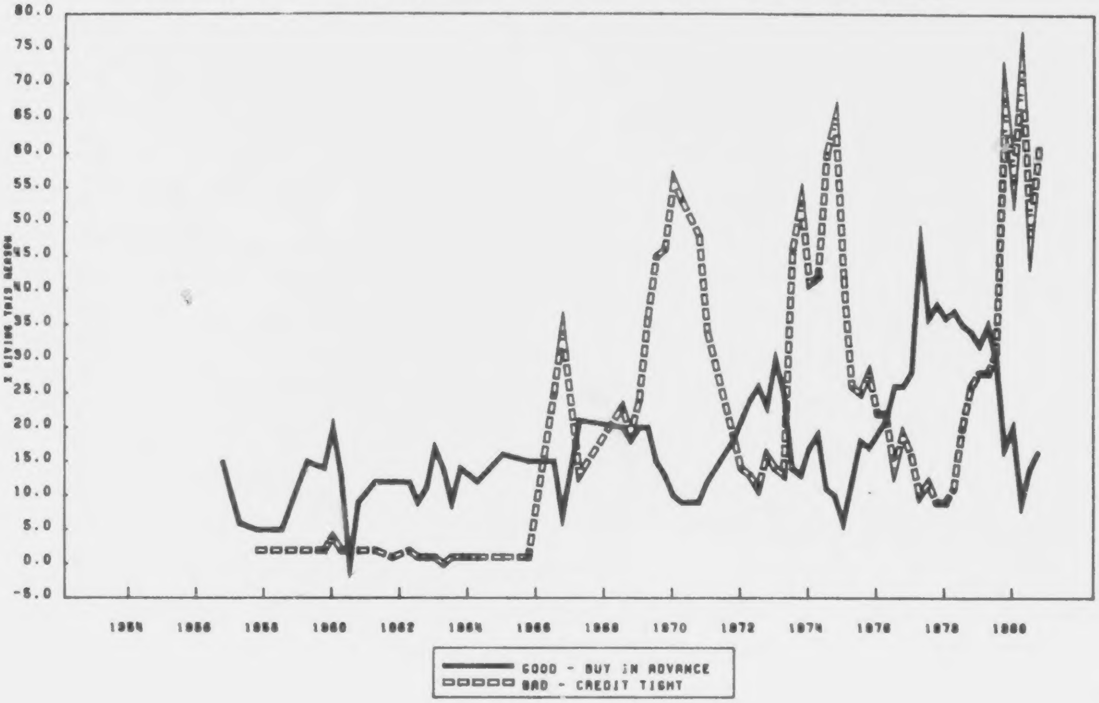
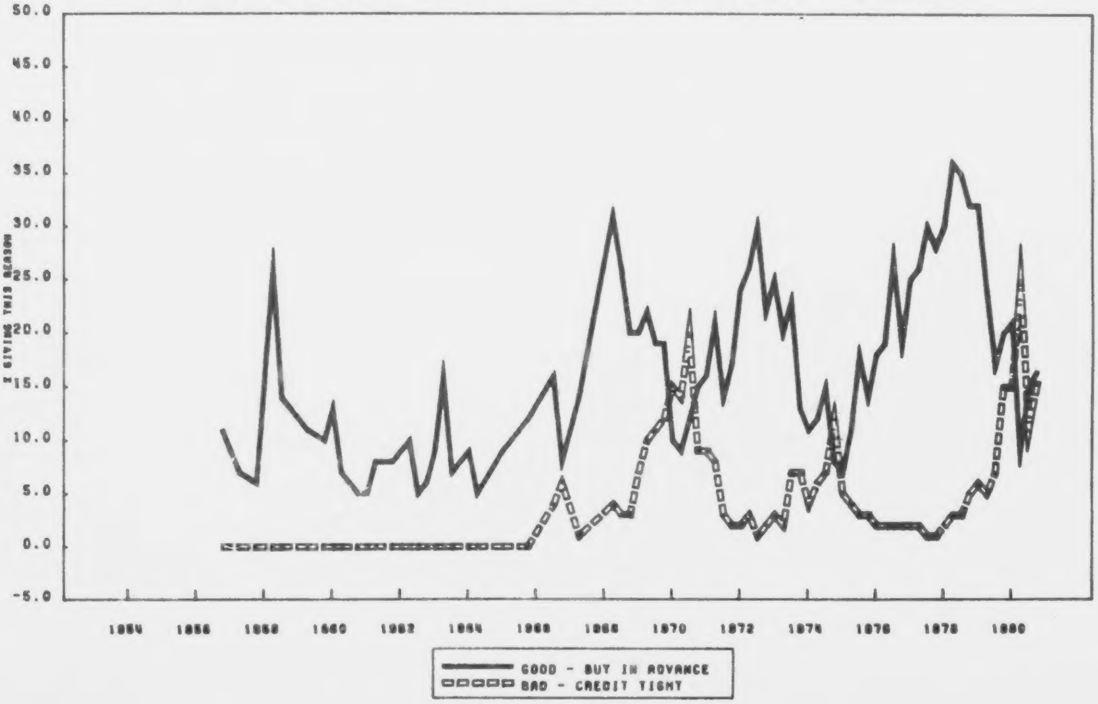


CHART 2

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

DECEMBER 1980

The December 1980 survey is the 125th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

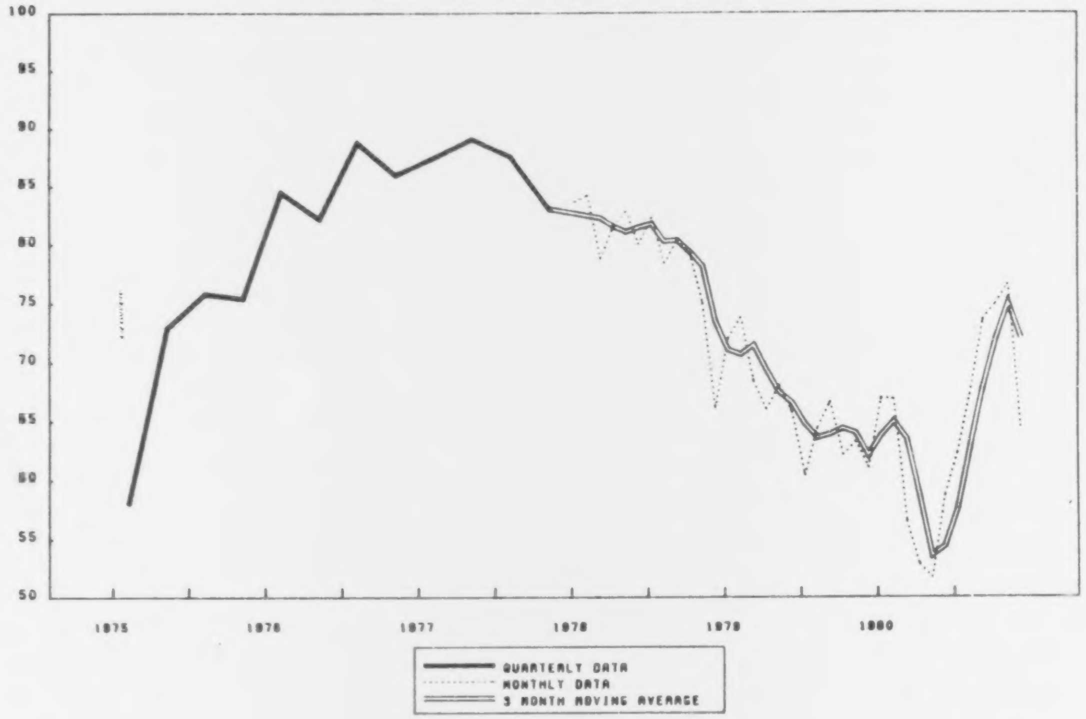


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

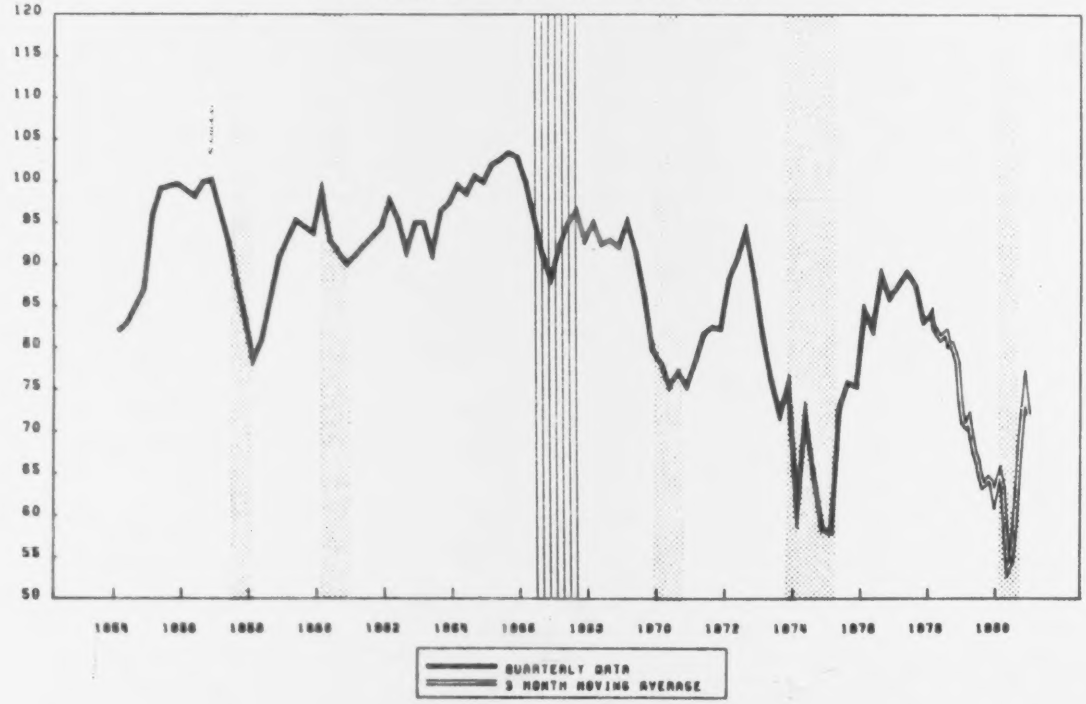


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
January	1978	83.7	95.6	94.7
February	1978	84.3	98.0	100.1
March	1978	78.8	87.5	93.8
April	1978	81.6	94.5	92.9
May	1978	82.9	87.1	90.0
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

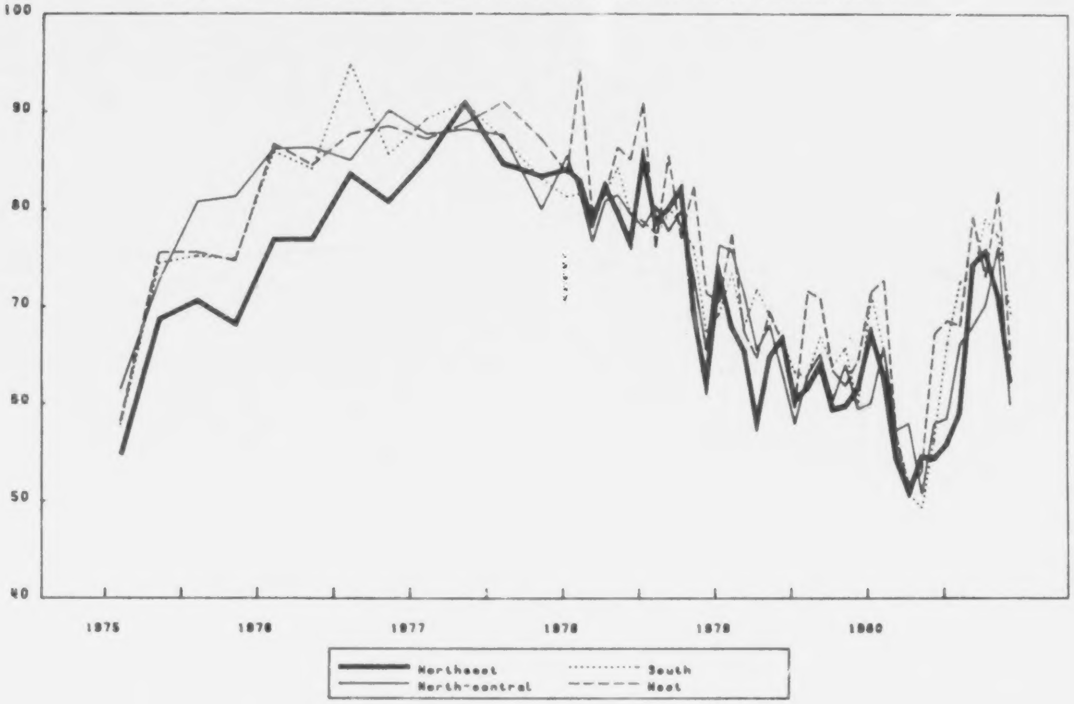


CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

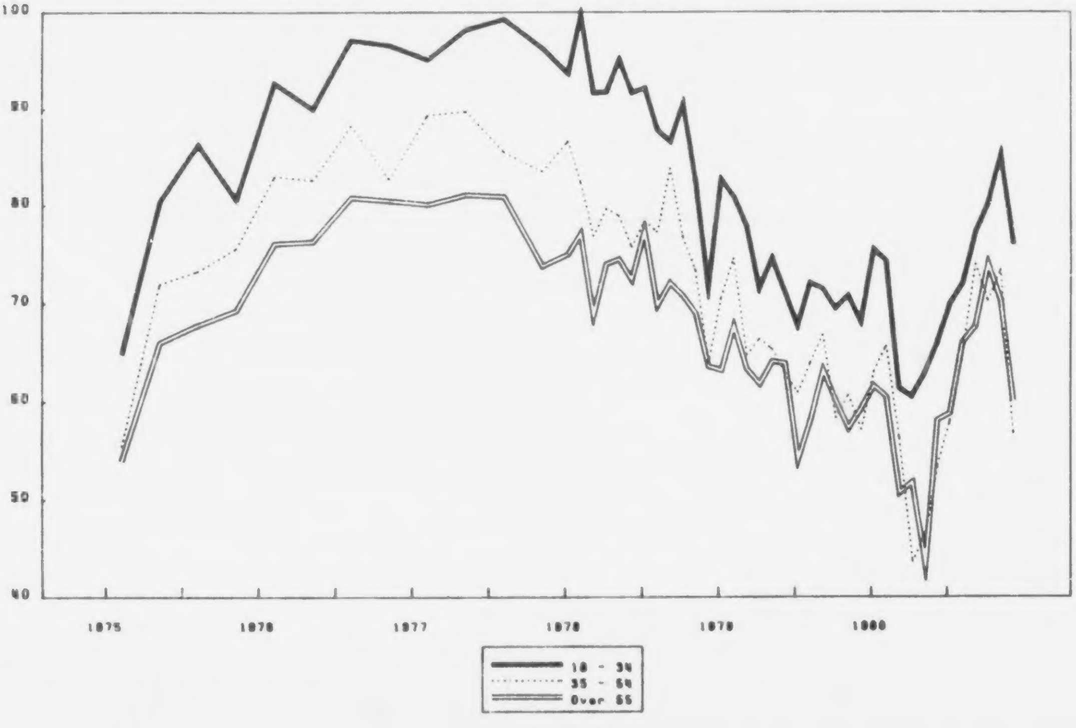


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
January	1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February	1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

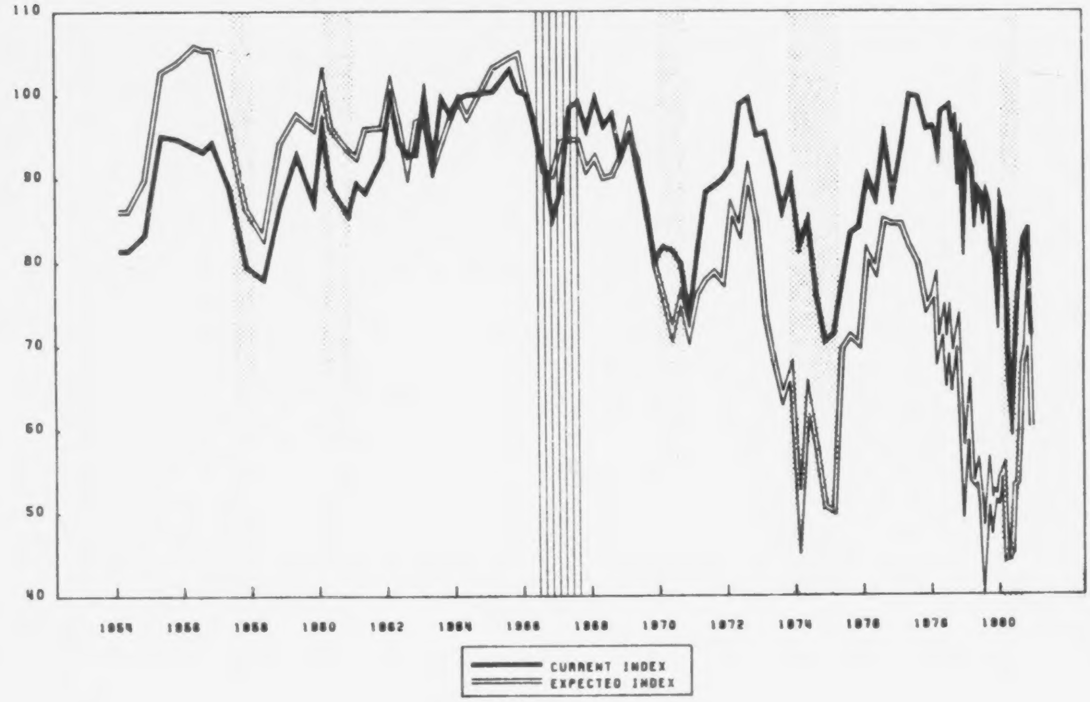


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
January 1978	105	114	106	80	142	96.2	75.7
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

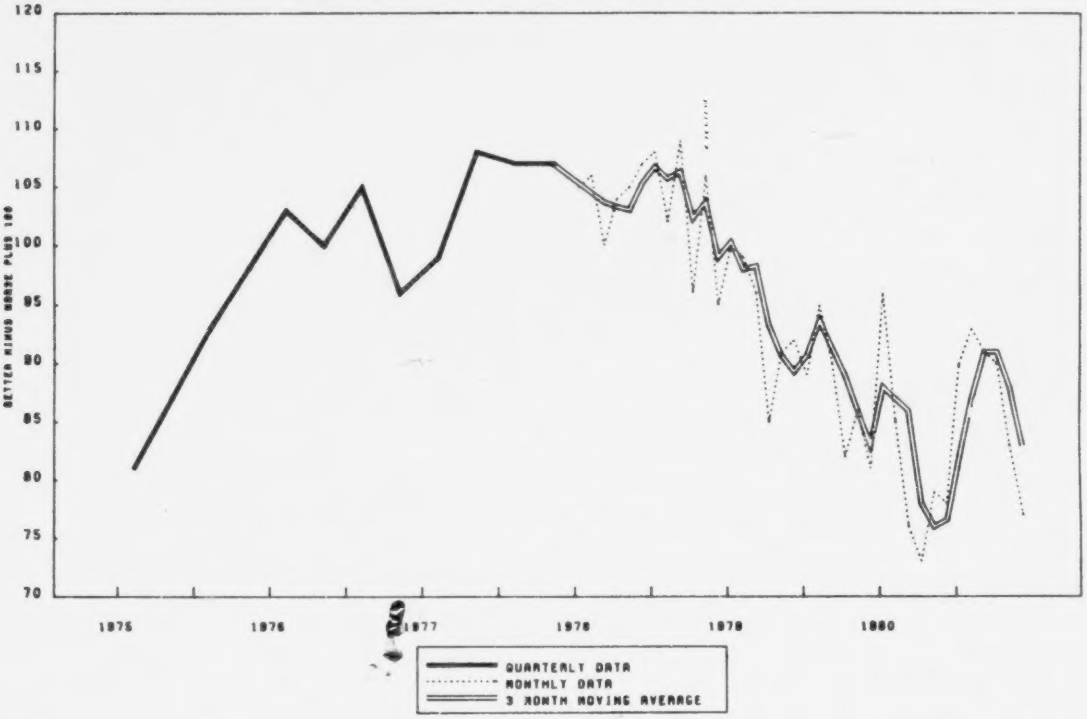


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

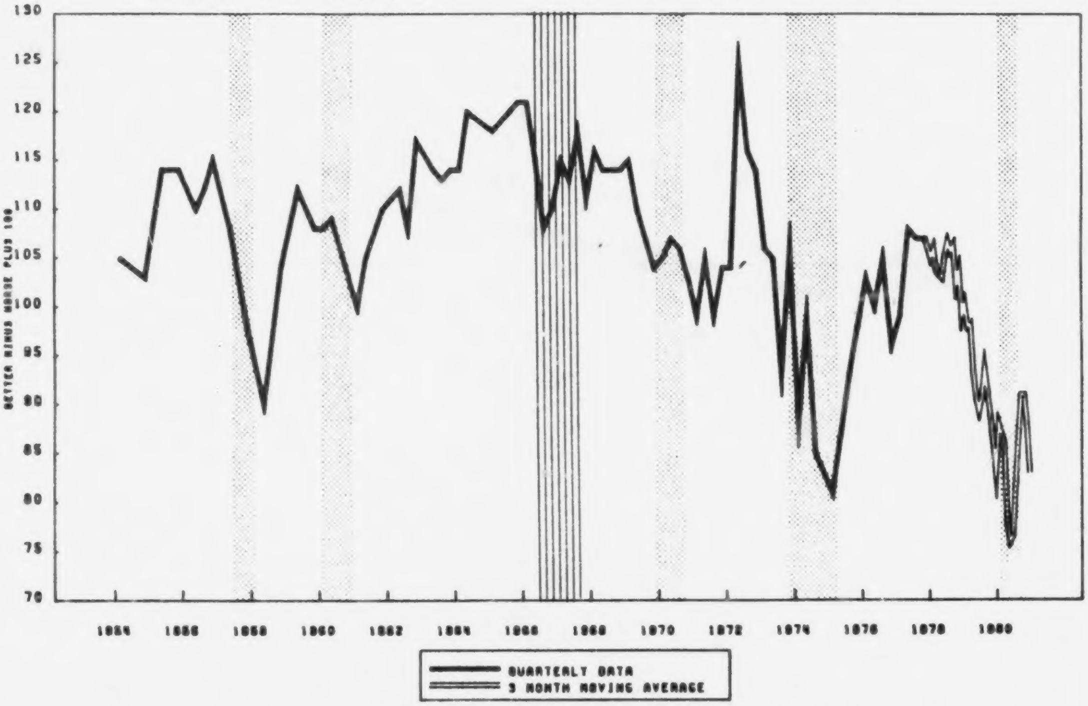


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
BETTER OFF	28%	34%	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%
SAME	26	28	25	28	25	26	26	29	26	27	30	26	26
WORSE OFF	45	38	45	48	51	47	47	40	40	40	40	45	48
DK,NA	1	*	*	*	*	1	2	1	1	2	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

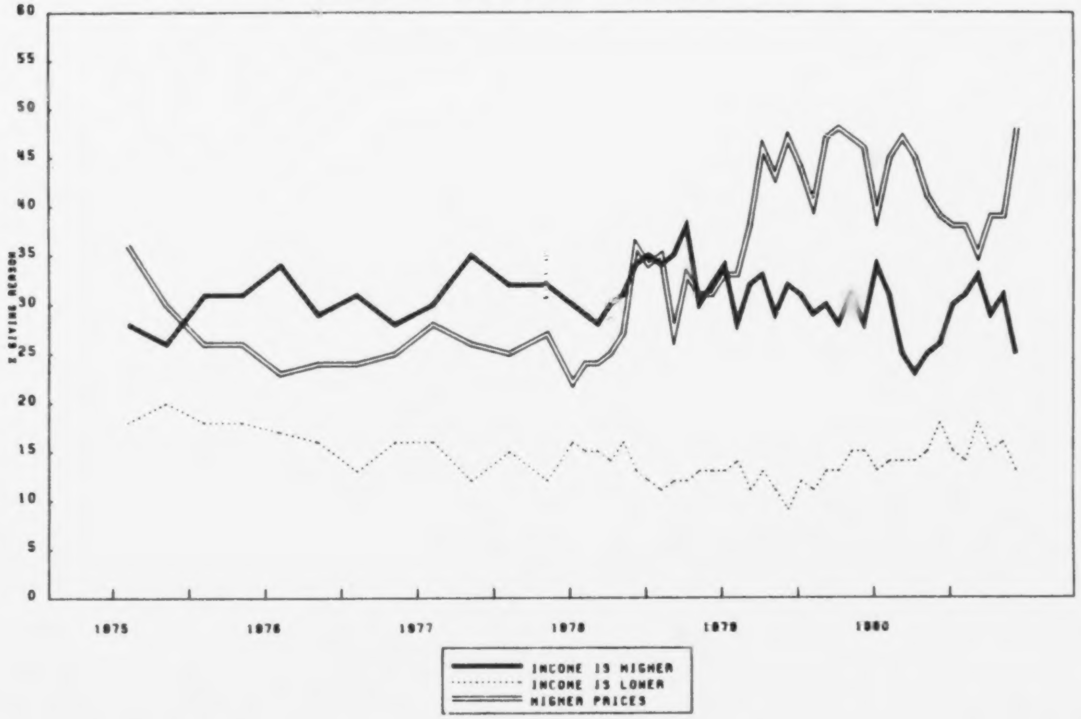


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	27%	34%	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	13	14	14	14	15	18	15	14	18	15	16	13
Higher prices	44	39	45	47	45	41	39	38	38	35	39	39	48

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

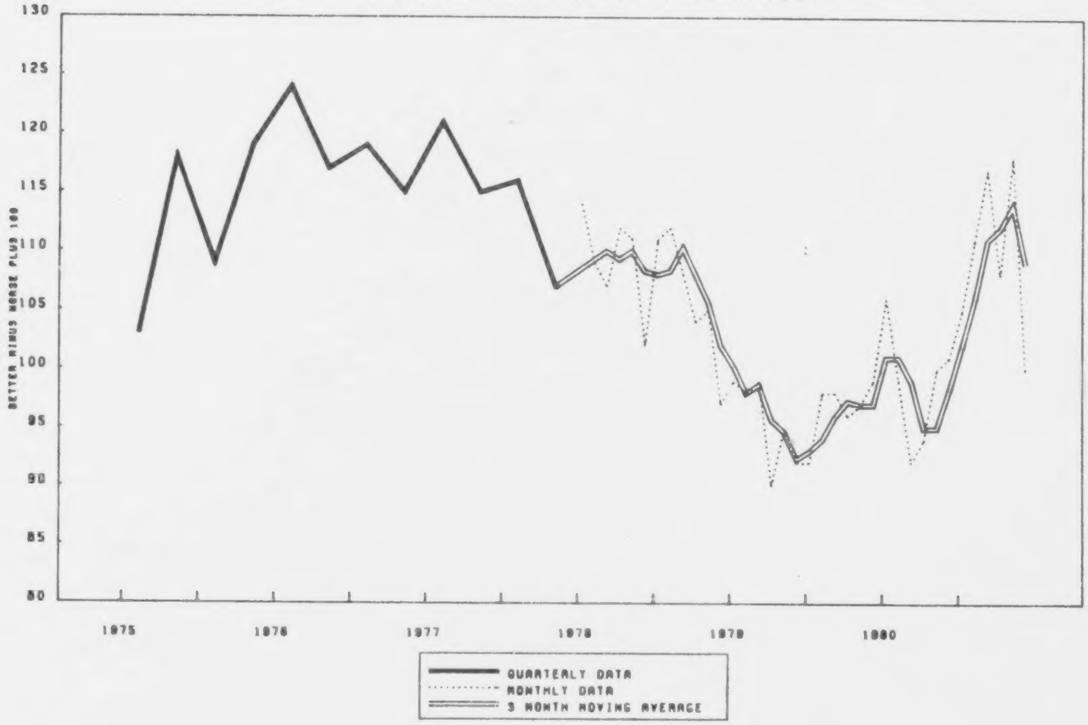


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

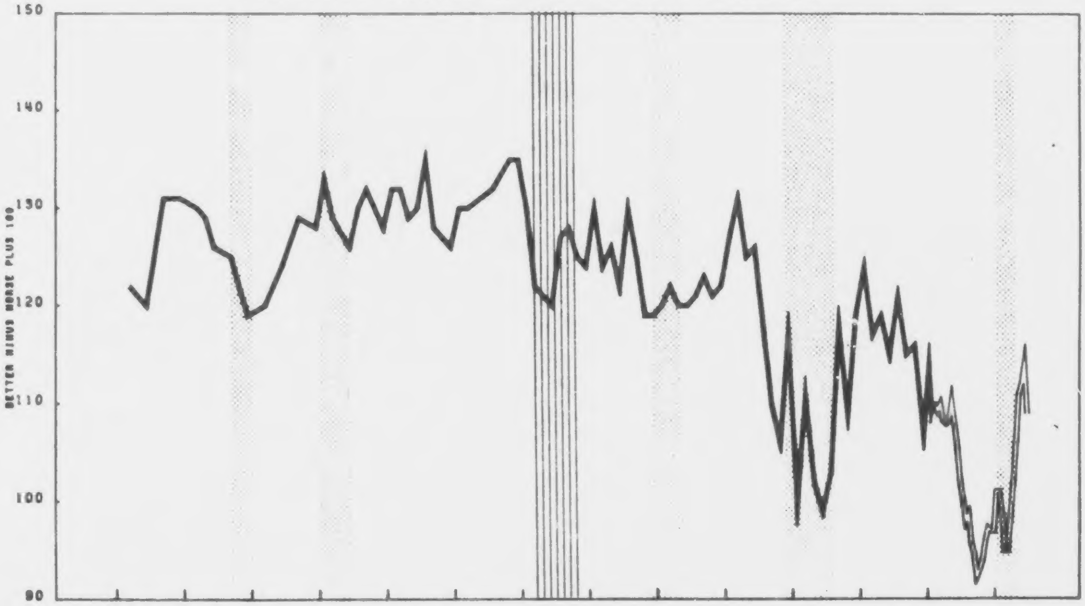


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
BETTER OFF	26%	28%	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%
SAME	45	46	45	47	42	43	46	48	48	45	50	42	45
WORSE OFF	25	22	26	28	31	27	25	21	19	17	17	17	25
DK,NA	4	4	4	5	2	3	3	5	3	4	8	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

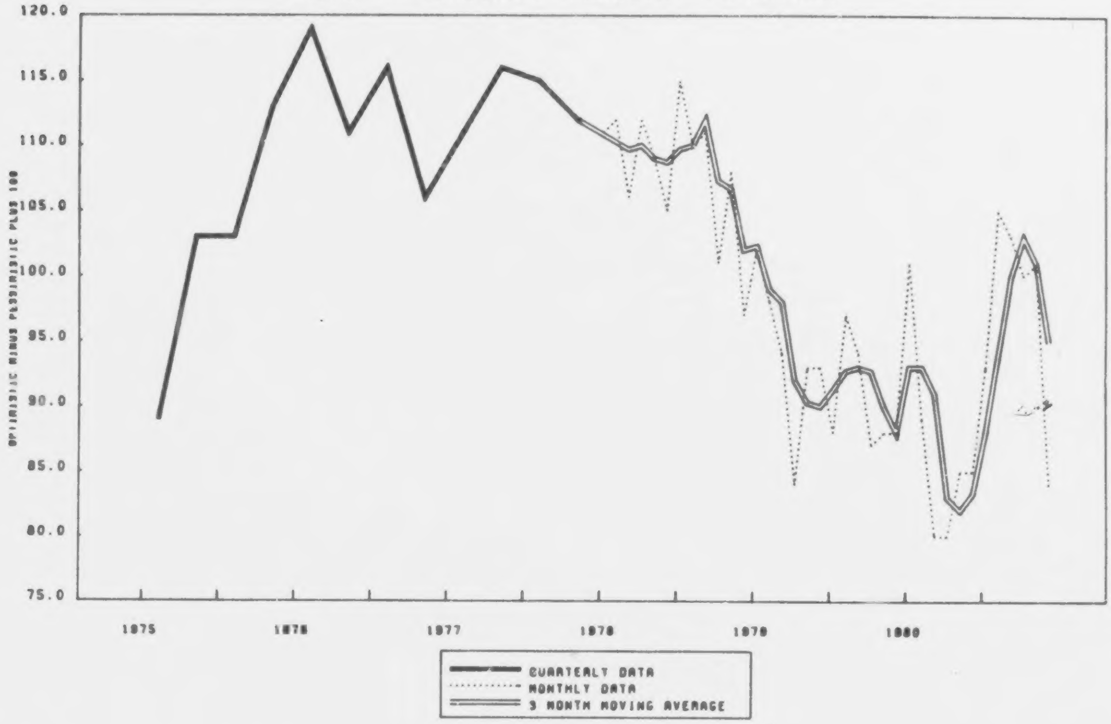


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

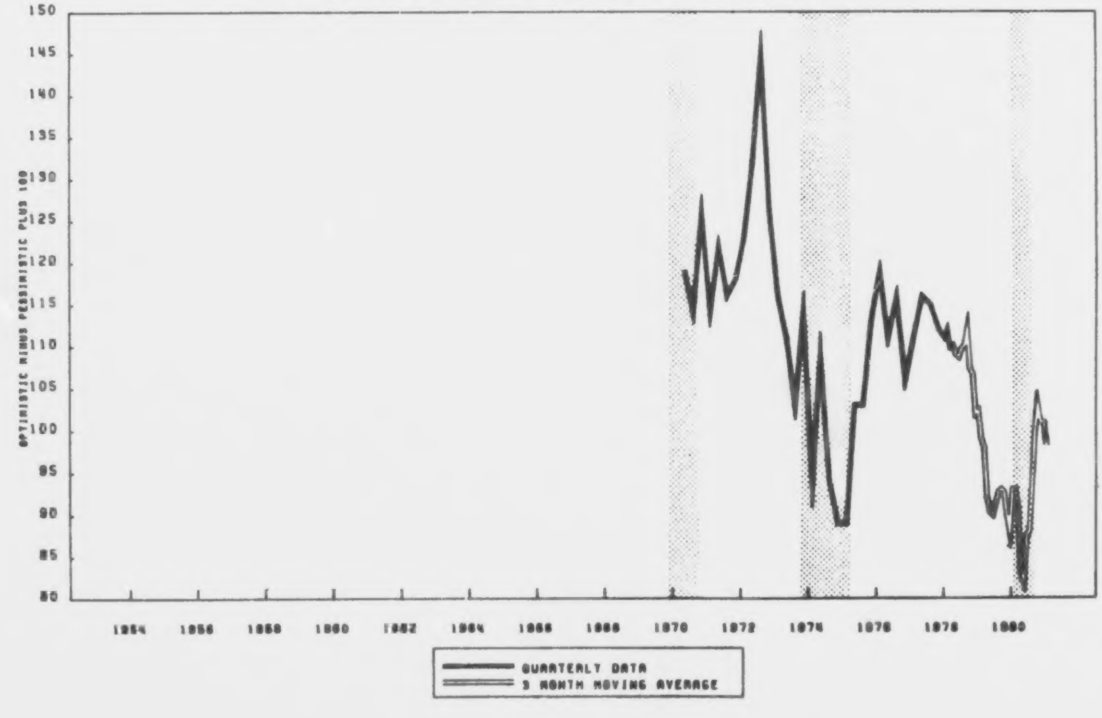


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	15%	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%
Intermittant increase (b)	18	21	19	16	16	17	16	19	22	19	20	19	18
Remain unchanged (c)	14	16	12	15	14	12	14	14	16	15	18	13	12
Intermittant decline (d)	23	20	25	27	23	27	27	28	17	21	21	22	28
Continuous decline (e)	18	14	18	17	21	16	14	10	12	9	11	9	15
Mixed change (f)	11	10	10	13	16	14	15	11	18	16	10	18	13
DK,NA	4	4	3	5	2	3	4	6	3	6	8	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

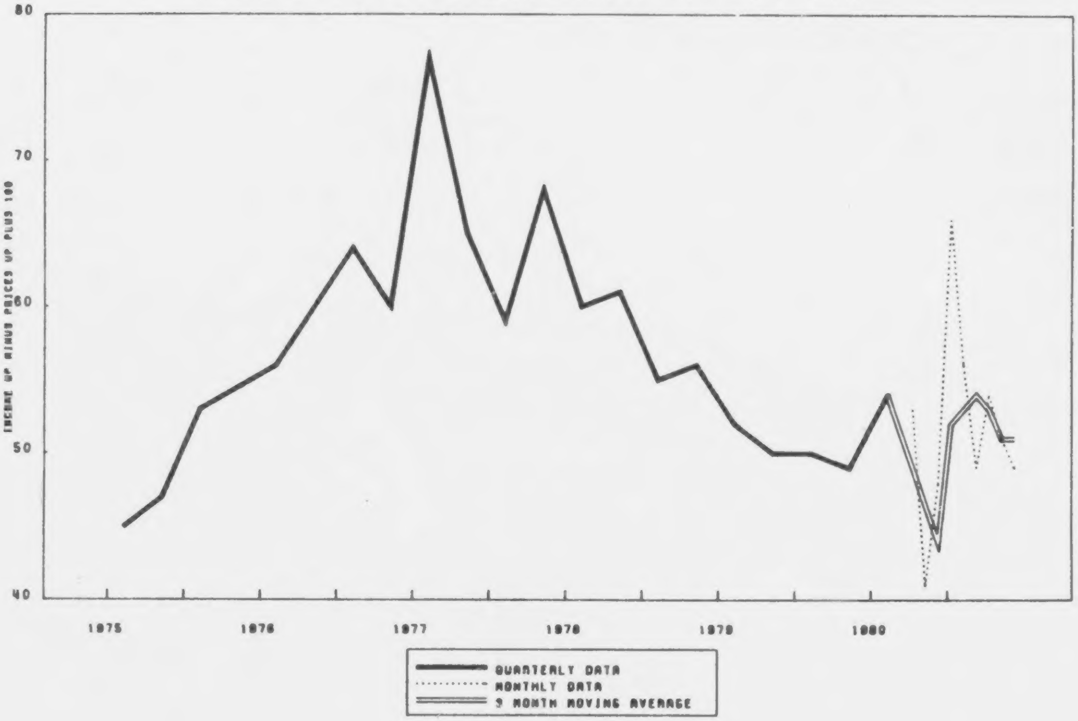
	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
EXPECT INCREASE:													
1-4%	na	na	6%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%
5%			8		8	7	7	8	10	7	7	10	7
6-9%			14		14	12	13	11	15	16	15	10	12
10-24%			20		23	24	25	20	20	21	21	26	22
25% or more			9		7	6	8	5	6	5	7	7	7
DK how much up			7		7	8	8	10	9	10	10	8	8
EXPECT SAME			24		25	22	21	21	21	21	21	24	22
EXPECT DOWN			10		9	13	12	18	11	10	9	7	11
DK,NA			2		2	2	1	2	2	3	2	3	3
TOTAL			100%		100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES			1019		719	703	688	668	658	682	685	694	684

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR



R

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
INCOME UP MORE	na	na	13%	na	11%	8%	11%	12%	13%	12%	13%	10%	11%
INCOME UP SAME			27		22	22	25	30	29	24	25	30	24
PRICES UP MORE			59		66	67	63	56	57	63	59	59	62
DK,NA			1		1	3	1	2	1	1	3	1	3
TOTAL			100%		100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES			1019		719	703	688	668	658	682	685	694	684

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

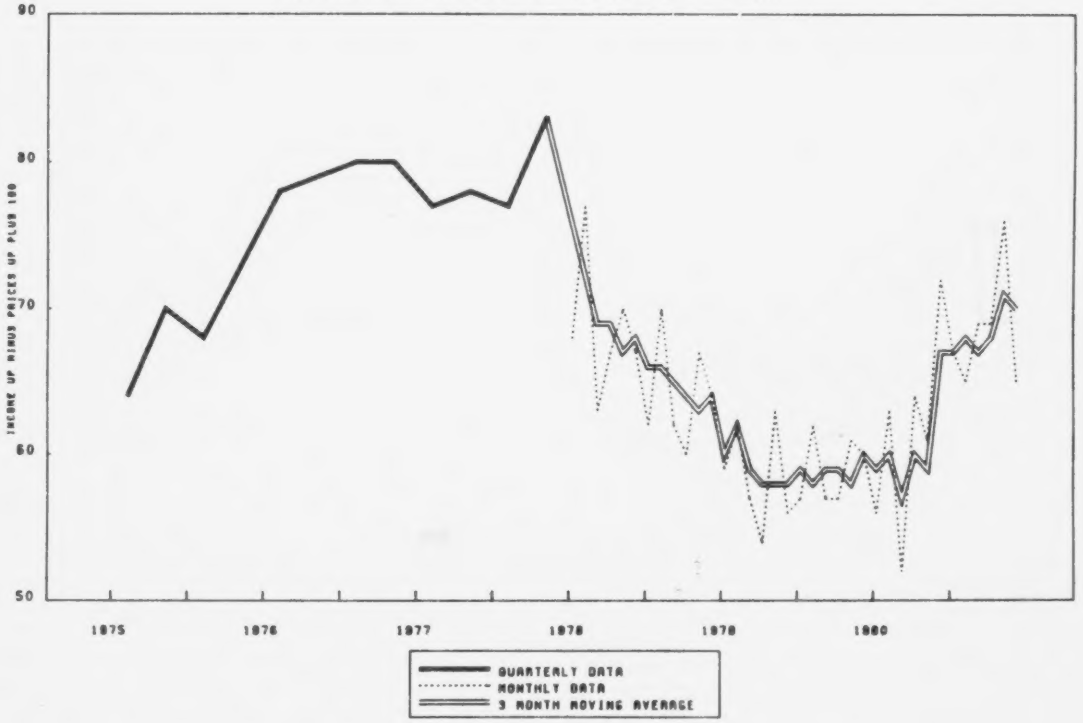


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
INCOME UP MORE	11%	8%	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%
INCOME UP SAME	34	36	33	32	37	34	41	38	40	38	42	42	36
PRICES UP MORE	51	52	51	56	48	51	42	45	46	45	43	40	47
DK,NA	4	4	2	4	3	3	3	5	3	3	3	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

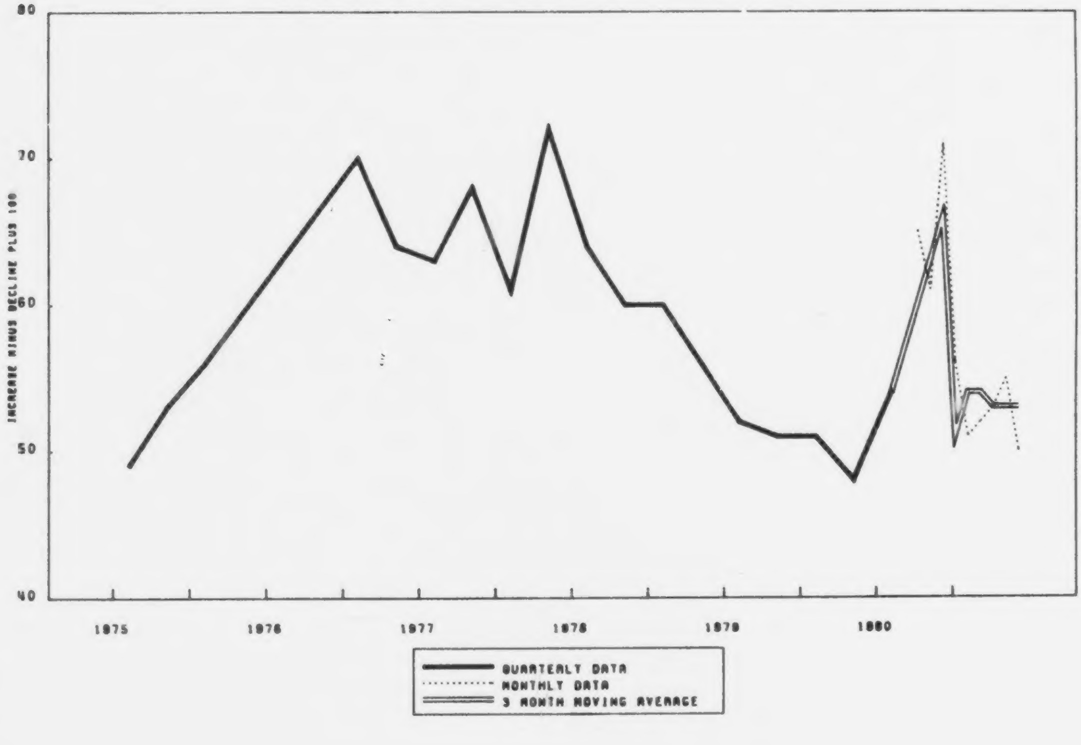


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	na	na	7%	na	4%	2%	5%	5%	3%	5%	6%	6%	5%
Intermittant increase (b)			8		8	9	8	9	11	9	6	9	7
Remain unchanged (c)			16		13	11	16	17	17	14	18	17	14
Intermittant decline (d)			19		24	22	26	23	22	23	25	27	24
Continuous decline (e)			42		41	44	35	35	37	39	34	33	38
Mixed change (f)			6		6	6	7	5	6	6	7	5	6
DK,NA			2		4	6	3	6	4	4	4	3	6
TOTAL			100%		100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES			1019		719	703	688	668	658	682	685	694	684

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

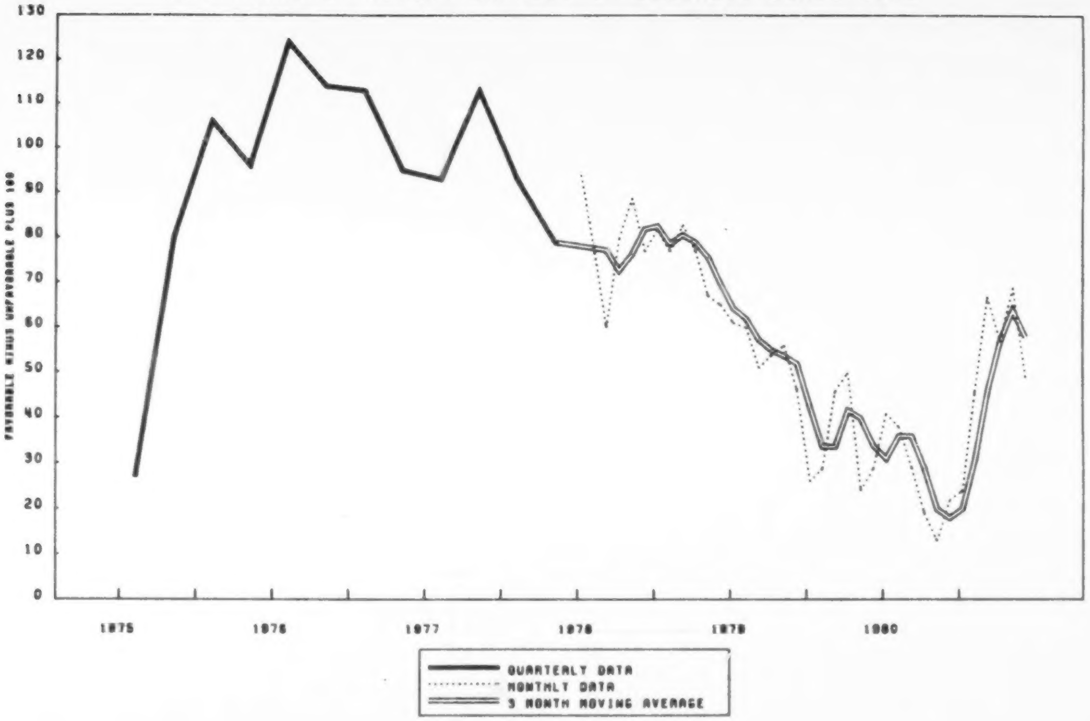


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

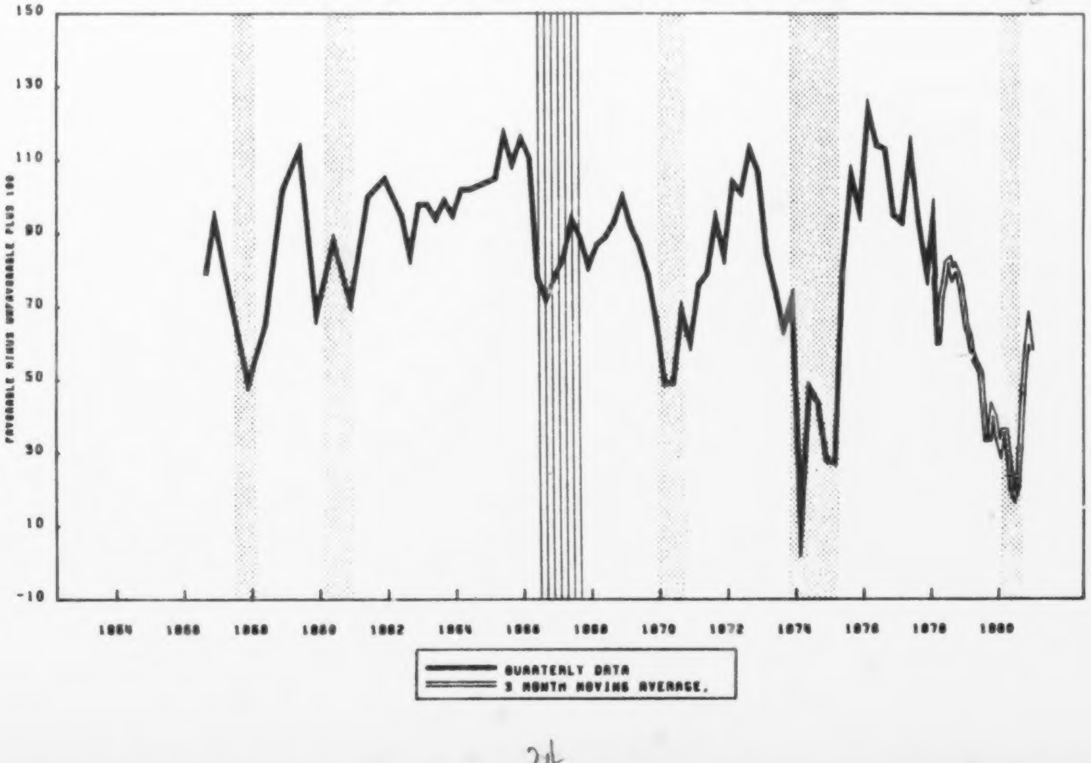


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
FAVORABLE NEWS	11%	17%	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%
UNFAVORABLE NEWS	79	76	76	82	91	97	93	95	78	63	72	58	68
NO MENTIONS	41	39	41	41	35	30	29	30	34	38	33	47	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
FAVORABLE NEWS:													
Government; elections	*	*	1%	1%	1%	*	1%	*	1%	2%	1%	7%	4%
Employment	4	6	5	3	3	1	3	4	7	7	10	7	5
Consumer demand high	1	1	1	1	1	*	1	1	1	3	3	2	1
Prices are low	*	1	1	*	1	1	1	1	*	1	2	1	*
Credit is easy	1	1	1	*	*	5	7	7	8	7	3	1	*
UNFAVORABLE NEWS:													
Government; elections	3	4	3	3	3	4	2	4	3	1	4	3	2
Unemployment	22	18	19	14	21	40	50	43	31	25	26	21	18
Consumer demand low	10	8	10	8	9	10	9	12	12	8	8	8	11
Prices are high	10	16	14	17	17	11	8	12	13	10	10	9	8
Credit is tight	14	7	9	22	24	16	9	5	5	8	12	9	19
Energy crisis	4	4	4	1	1	*	1	1	1	*	1	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

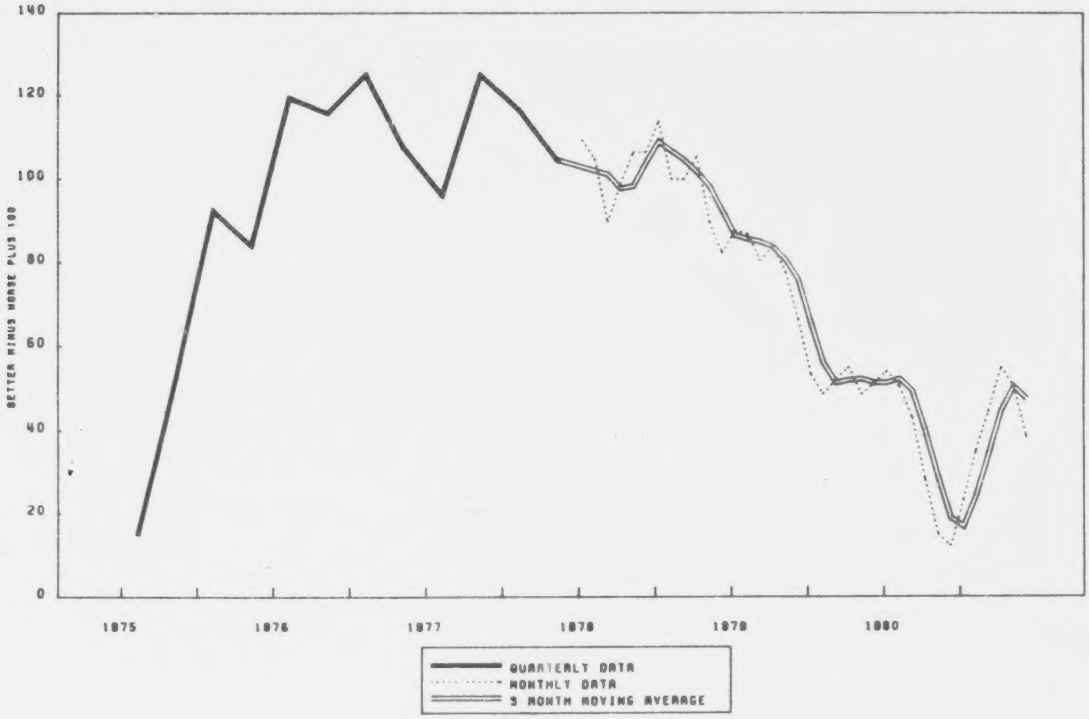


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

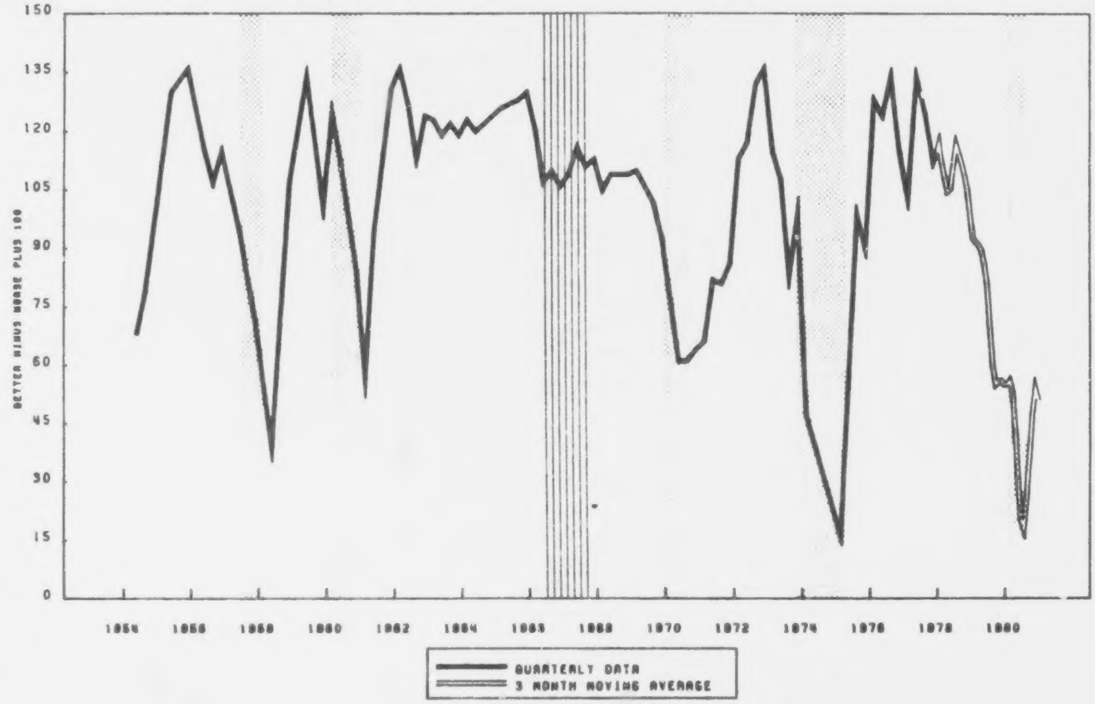


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
BETTER NOW	21%	21%	21%	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%
SAME	12	14	10	12	10	4	5	4	7	10	10	10	12
WORSE NOW	65	62	67	69	79	90	90	85	77	70	64	67	72
DK,NA	2	3	2	4	1	*	1	1	1	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

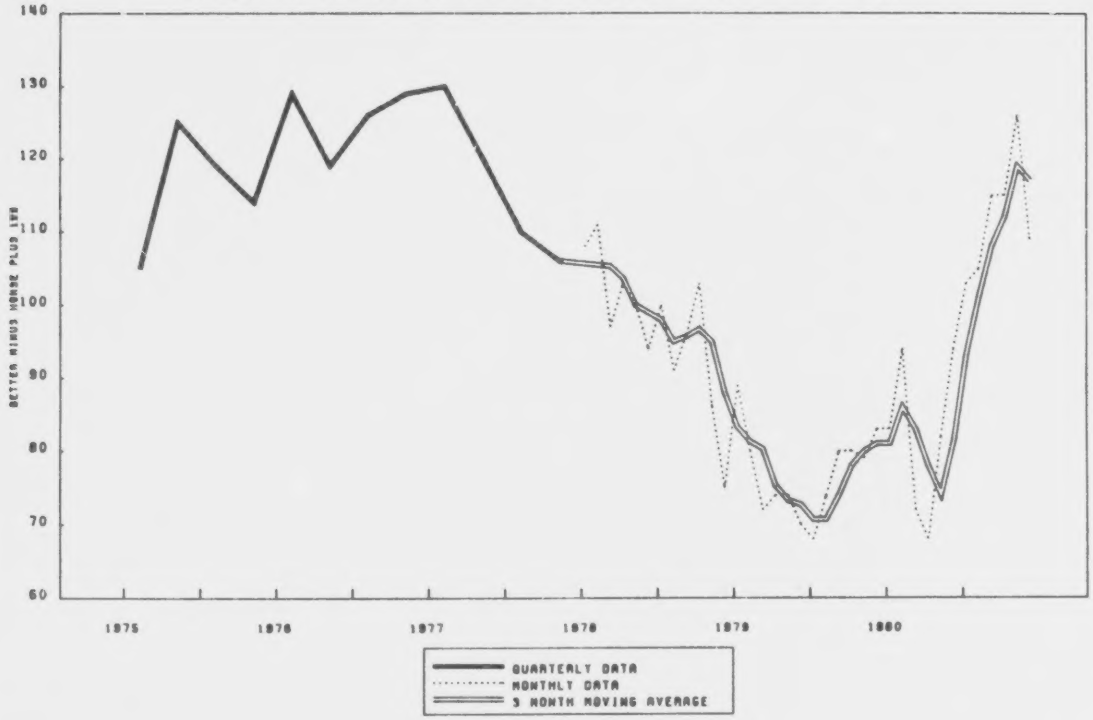


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

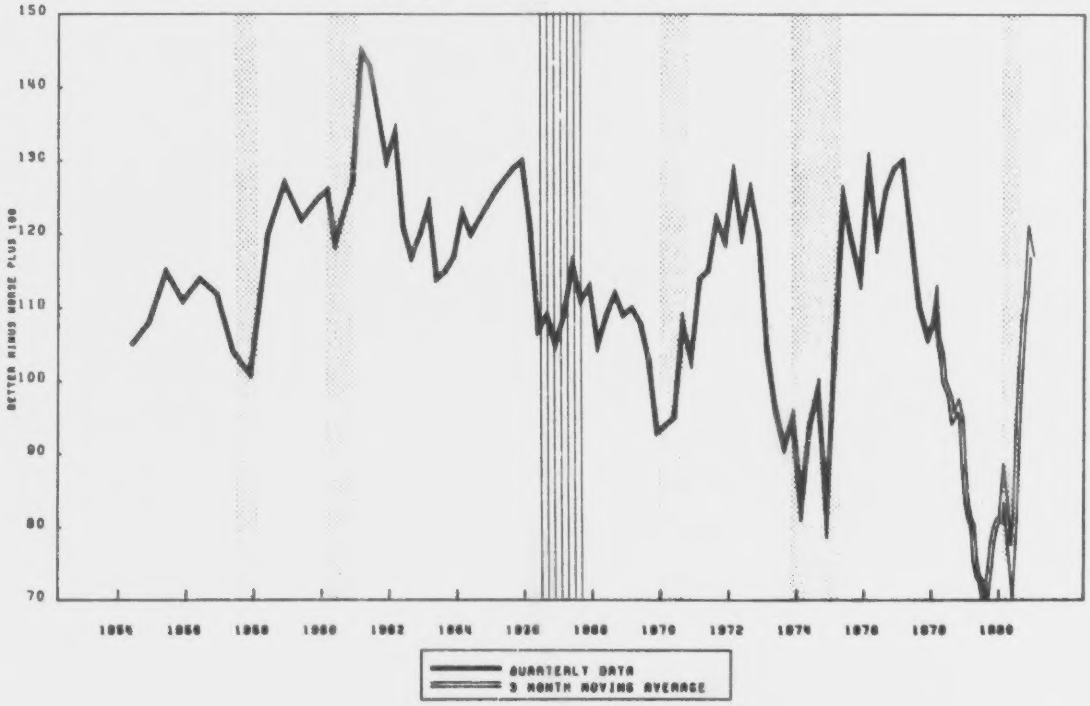


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
BETTER	17%	17%	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%
SAME	43	45	49	42	37	37	38	43	44	47	44	42	46
WORSE	36	35	27	42	46	39	32	25	23	17	18	14	20
DK,NA	4	3	3	2	3	3	4	4	5	4	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
FAVORABLE REASONS:													
Government; elections	na	na	11%	na	8%	11%	10%	15%	14%	15%	16%	34%	27%
Employment			4		2	2	3	4	4	5	5	5	3
Higher consumer demand			3		1	3	1	2	3	4	5	3	2
Lower prices			1		3	2	3	1	1	3	3	2	3
Easier credit			1		1	4	5	2	3	3	2	3	2
UNFAVORABLE REASONS:													
Government; elections			13		15	7	7	12	7	7	11	7	8
Unemployment			5		11	14	12	10	7	6	4	5	8
Lower consumer demand			7		6	5	5	6	7	3	2	2	6
Higher prices			16		25	14	10	9	14	10	10	8	10
Tighter credit			3		12	6	4	2	2	2	2	2	7
Energy crisis			6		3	2	1	1	1	1	1	1	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

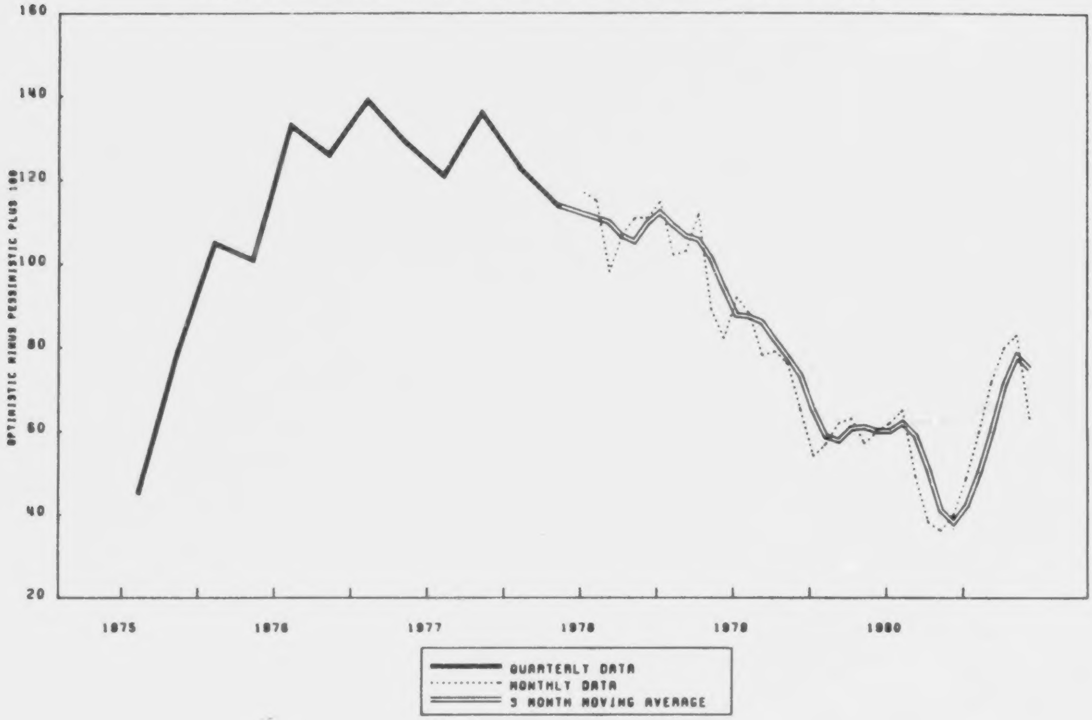


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

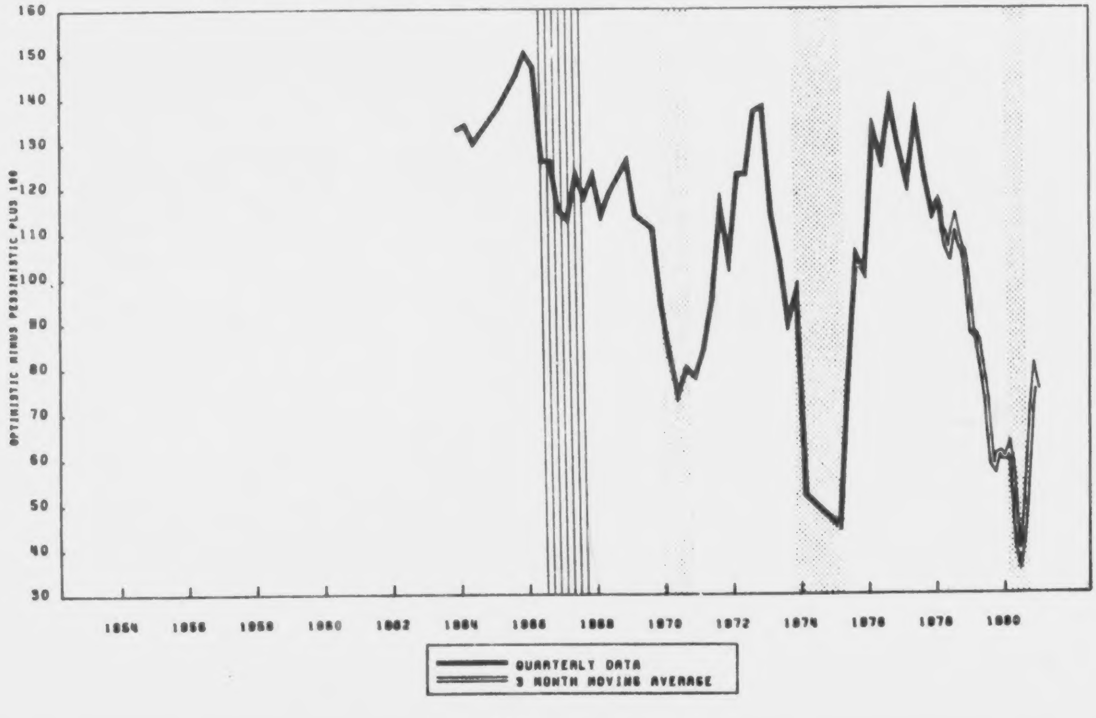


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
TREND:													
Continuous increase (a)	5%	6%	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%
Intermittant increase (b)	12	10	12	9	6	5	4	7	9	10	13	14	10
Remain unchanged (c)	6	9	6	6	3	1	2	1	3	6	5	4	5
Intermittant decline (d)	29	30	33	31	32	34	35	37	35	33	28	29	36
Continuous decline (e)	28	24	22	32	41	36	30	23	19	14	14	13	16
Mixed change (f)	14	16	15	14	10	20	23	26	23	23	23	24	21
DK,NA	6	5	4	5	4	3	5	4	6	5	8	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

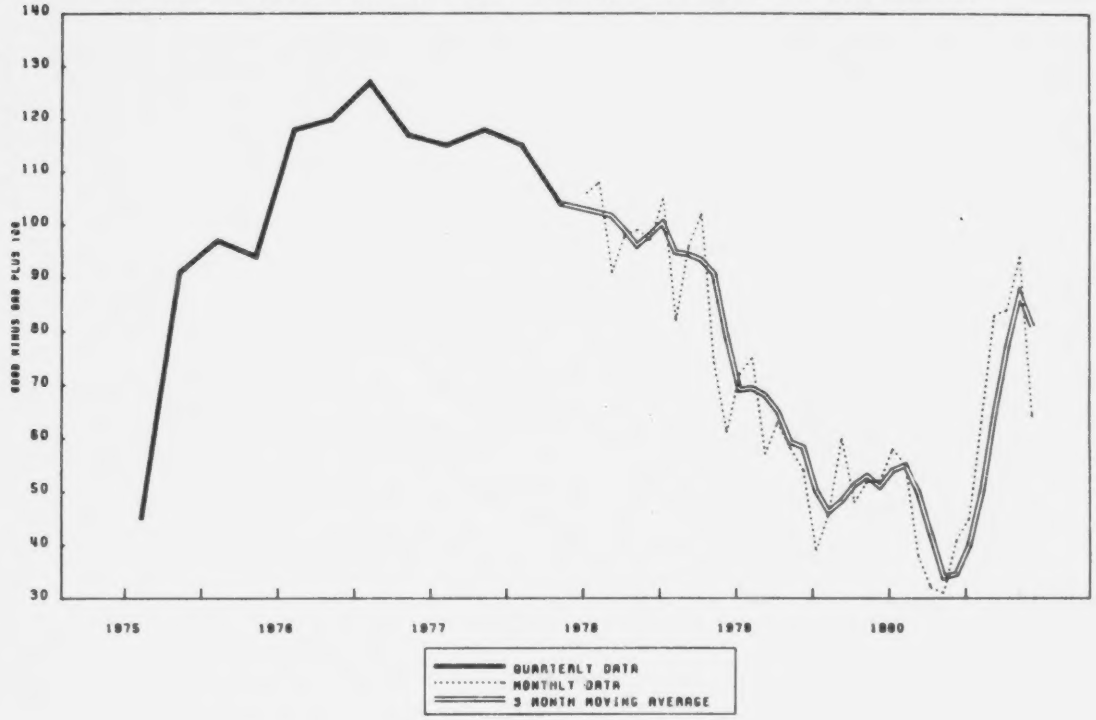


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

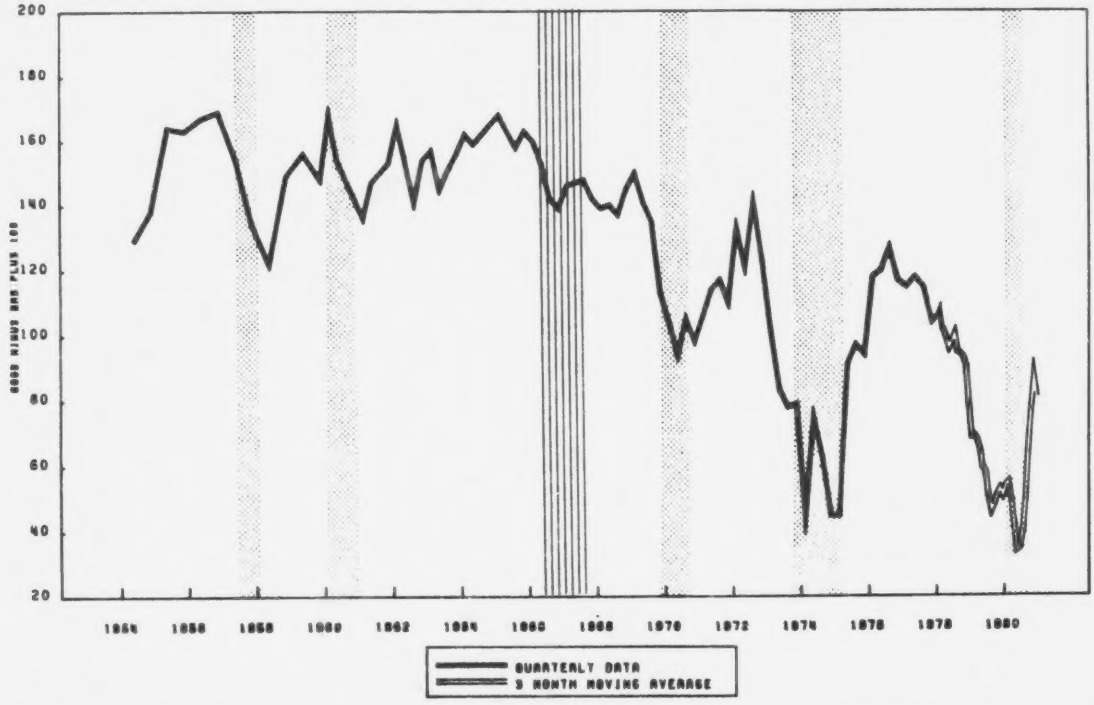


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIMES	19%	24%	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%
UNCERTAIN; GOOD & BAD	2	1	1	1	1	1	1	1	2	2	2	2	1
BAD TIMES	69	66	67	76	79	82	75	74	62	52	49	45	62
DON´T KNOW	4	4	5	4	4	3	4	4	7	7	8	8	7
NOT ASCERTAINED	6	5	5	5	5	1	2	2	4	4	8	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

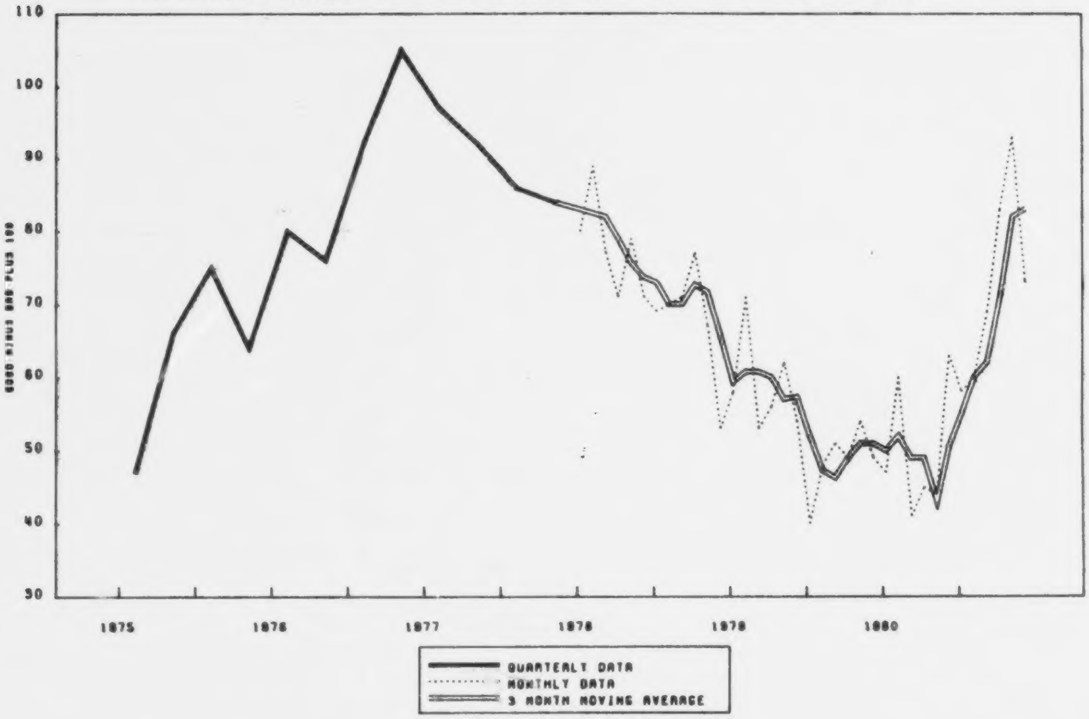


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

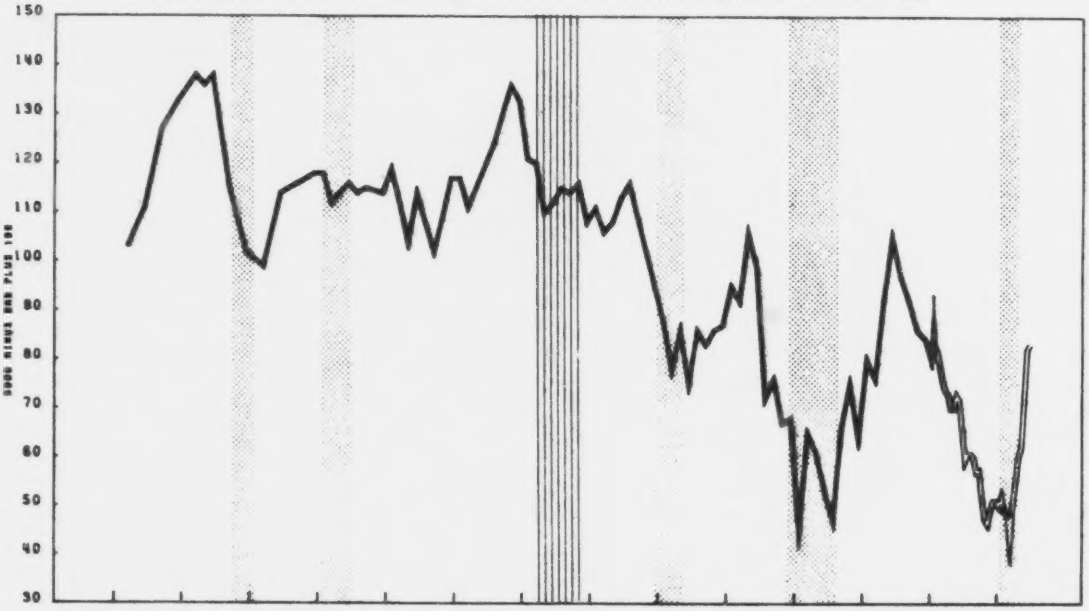


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIMES	15%	17%	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%
UNCERTAIN; GOOD & BAD	15	9	14	10	12	10	12	13	16	14	19	15	16
BAD TIMES	65	70	61	72	69	71	59	61	59	56	44	43	52
NOT ASCERTAINED	5	4	4	5	5	4	7	7	6	5	10	6	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

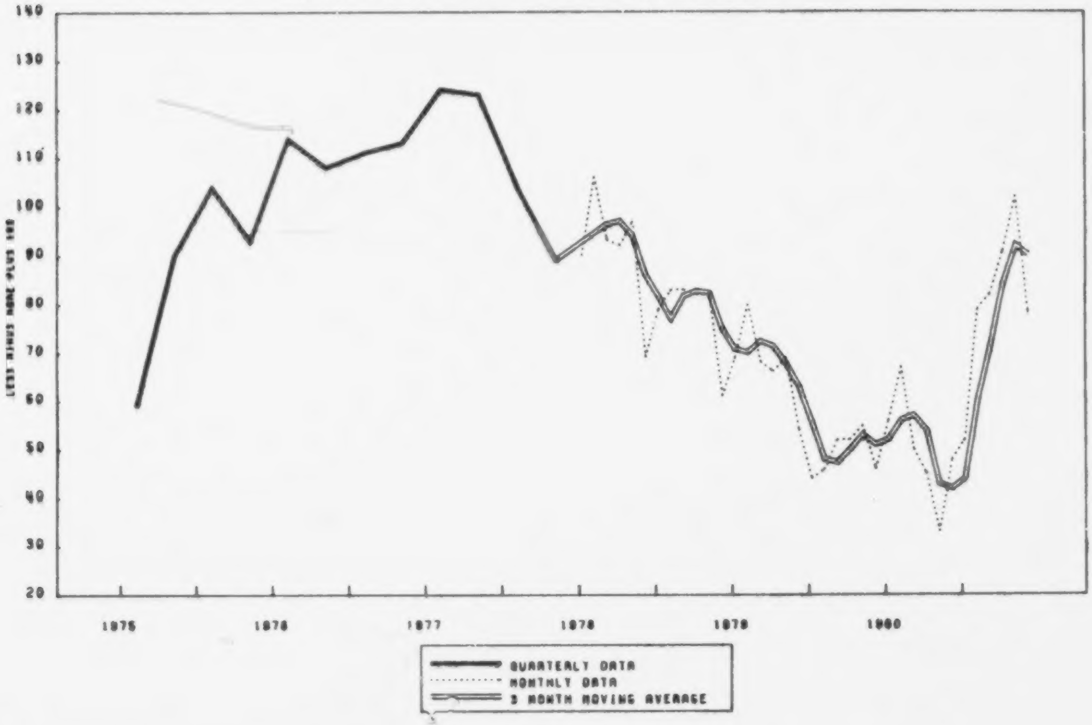


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

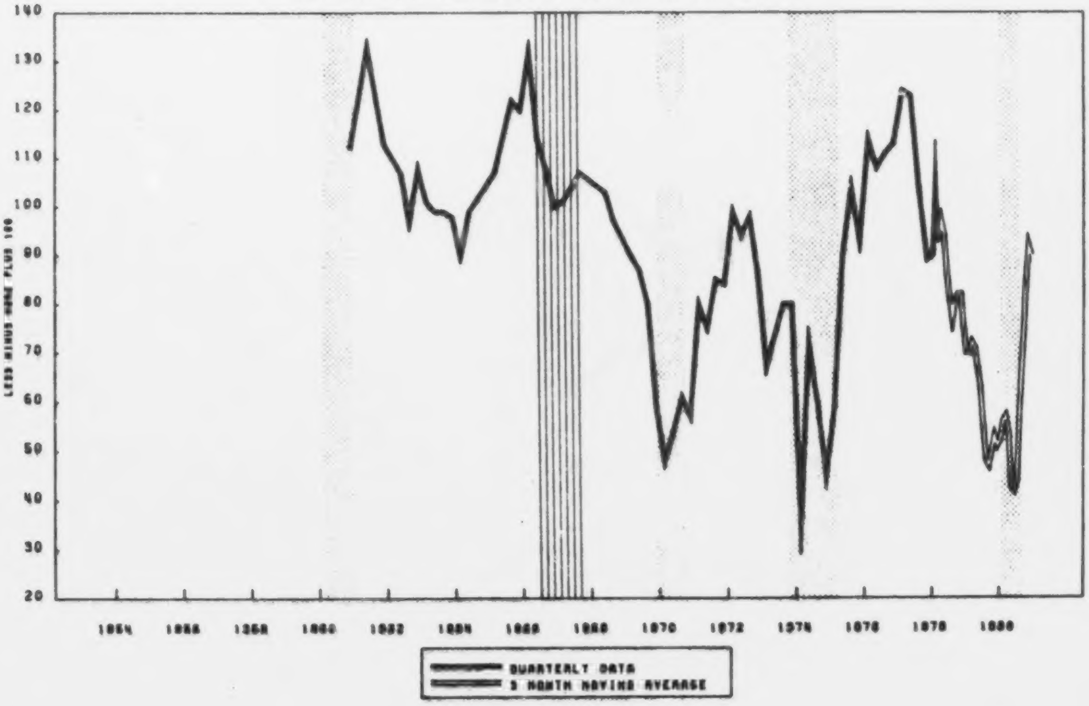


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
LESS	8%	9%	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%
SAME	30	34	38	35	29	23	25	30	38	36	46	47	41
MORE	61	54	46	57	62	72	63	59	40	40	30	24	39
DK,NA	1	3	3	1	2	*	1	*	3	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

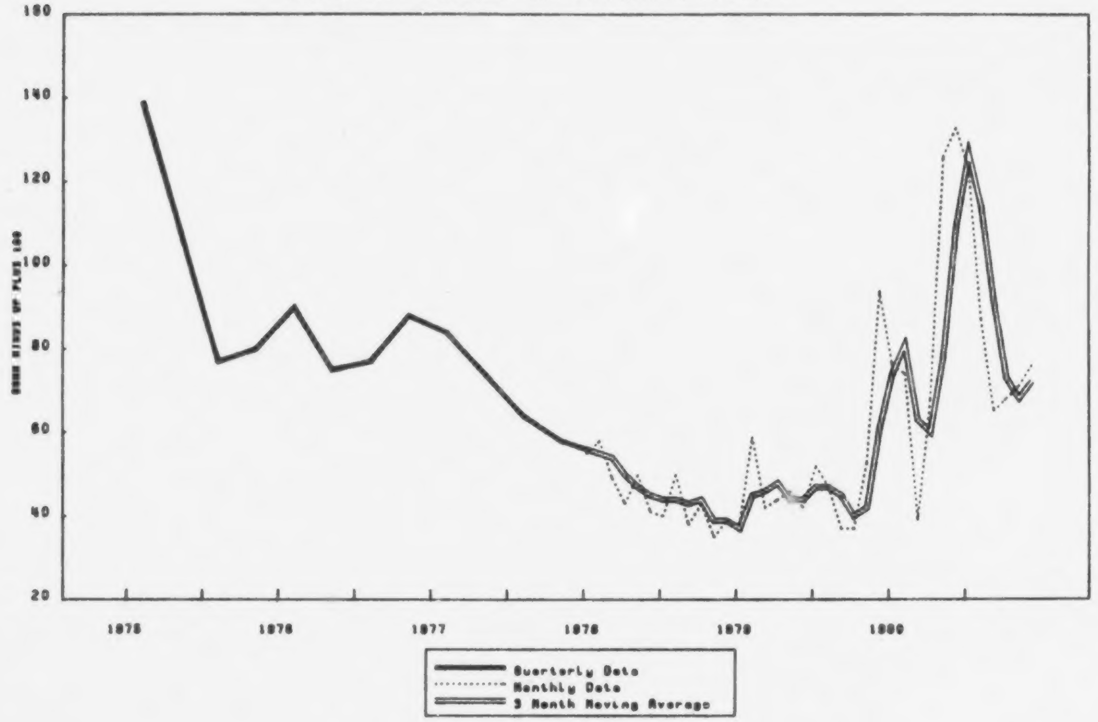


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

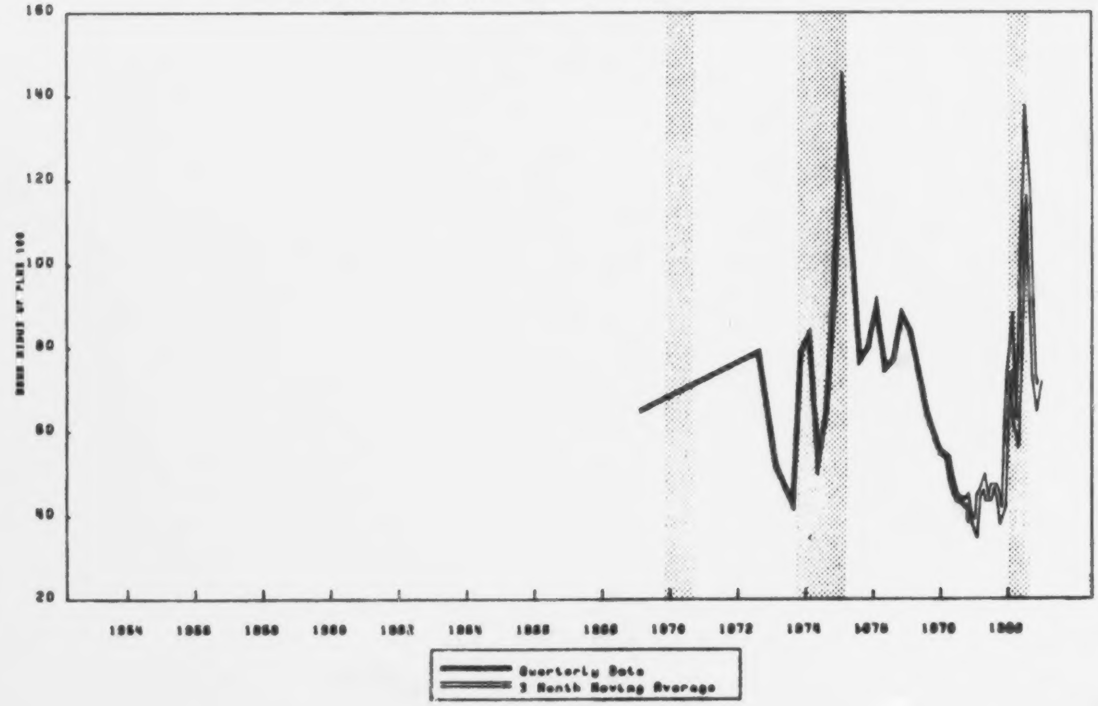


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GO UP	40%	45%	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%
STAY THE SAME	22	30	29	16	18	20	22	31	30	25	26	22	14
GO DOWN	34	21	21	10	24	52	54	44	26	18	17	22	29
DK,NA	4	4	3	3	2	2	3	4	5	4	8	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

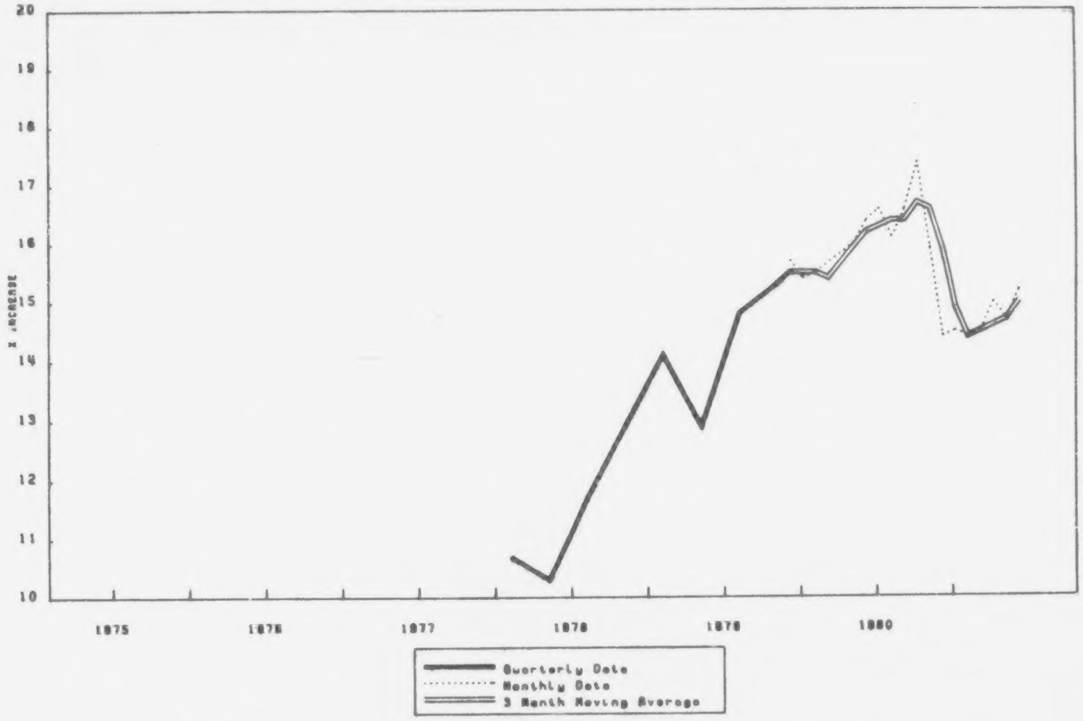


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
SAME OR DOWN	1%	1%	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%
GONE UP BY:													
1-2%	3	1	1	2	2	1	1	3	2	2	3	2	2
3-4%	3	4	3	5	3	4	3	5	6	5	4	4	3
5%	5	6	6	6	5	5	6	7	8	7	11	7	9
6-9%	10	6	9	8	9	6	10	11	12	9	11	12	9
10-14%	33	32	28	25	24	27	25	22	20	24	23	27	26
15% or more	31	35	38	41	43	37	33	29	32	31	32	29	32
DK how much up	14	15	12	11	12	15	15	18	15	17	14	16	16
DK,NA	*	*	*	*	*	*	1	1	1	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2
VARIANCE	188	176	149	167	179	175	140	168	160	151	169	161	158
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

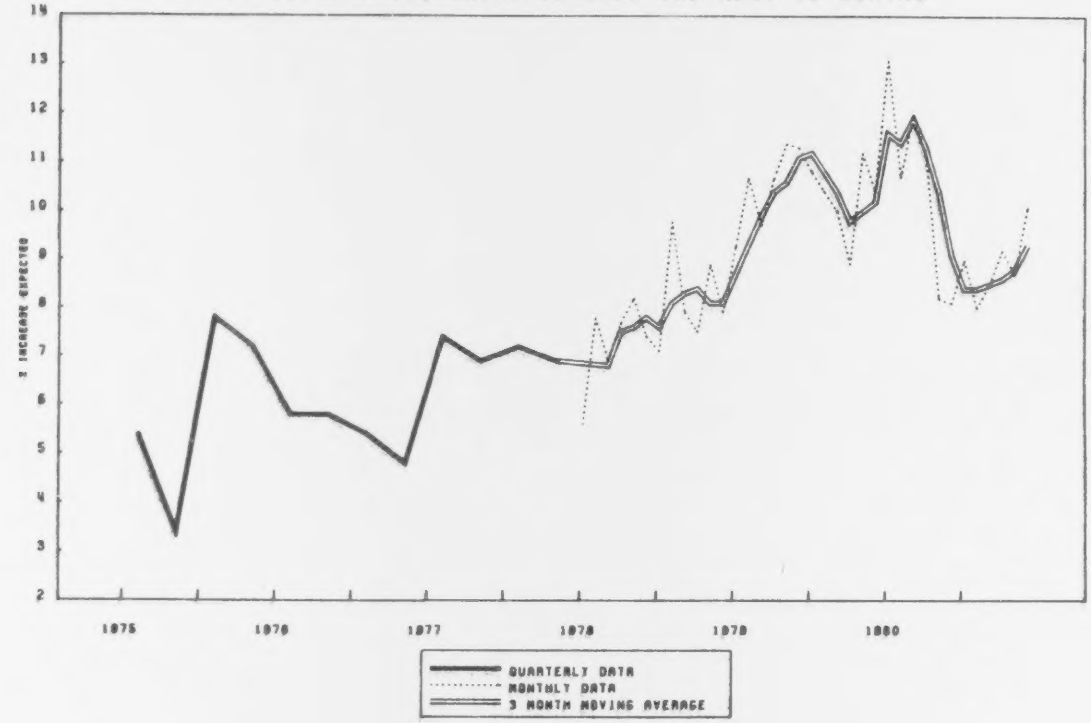


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

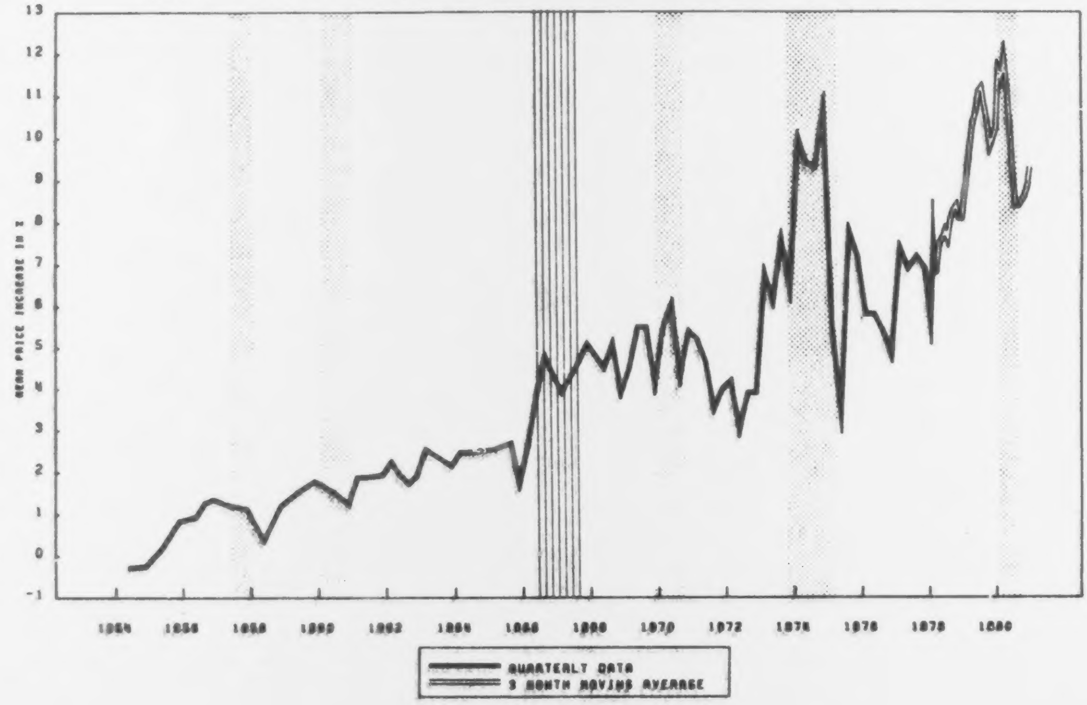


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
SAME OR DOWN	14%	9%	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%
WILL GO UP BY:													
1-2%	3	2	4	3	2	1	3	3	6	5	3	3	3
3-4%	4	4	4	4	3	4	6	5	7	5	6	5	5
5%	7	7	11	8	7	9	7	8	11	11	10	8	9
6-9%	13	12	12	9	8	9	10	10	12	10	10	12	11
10-14%	28	28	31	26	24	17	20	21	24	23	24	20	25
15% or more	19	25	19	27	25	18	14	15	10	13	16	14	18
DK how much up	9	11	10	7	9	10	10	13	11	13	9	11	10
DK,NA	3	2	1	3	2	1	3	3	1	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1
VARIANCE	103	139	84	122	125	92	89	95	71	68	100	102	107
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

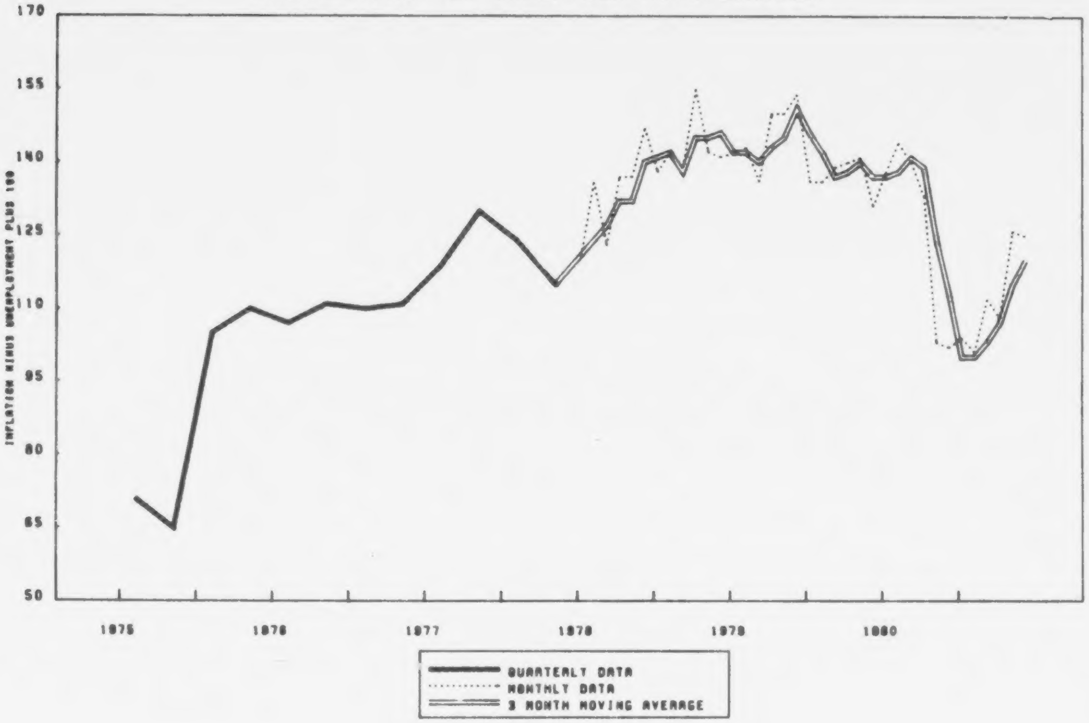


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

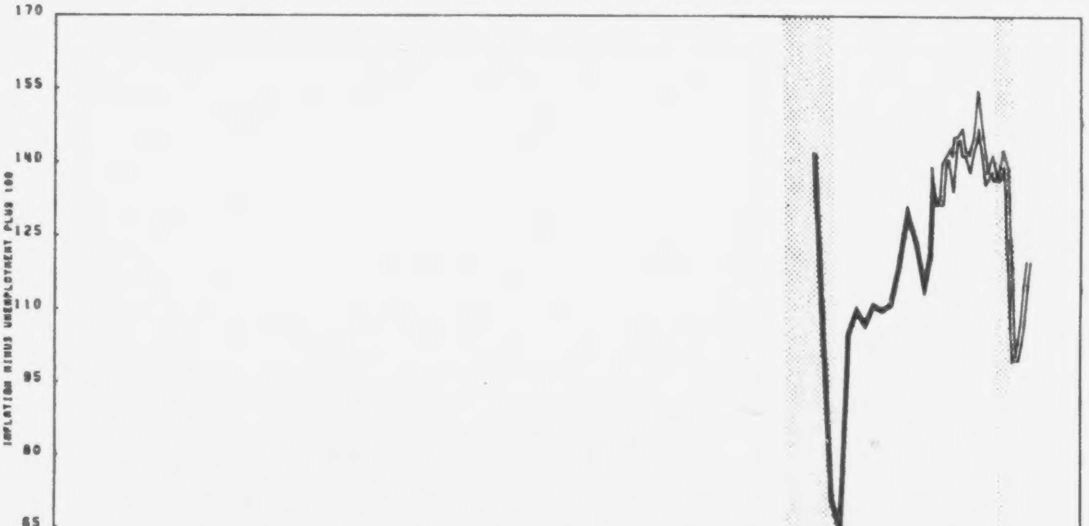


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
UNEMPLOYMENT	29%	26%	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%
BOTH EQUALLY SERIOUS	9	7	7	8	14	16	11	11	10	9	11	11	9
INFLATION	60	64	68	65	59	43	45	41	44	50	48	57	57
DK,NA	2	3	1	2	1	1	1	3	3	3	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

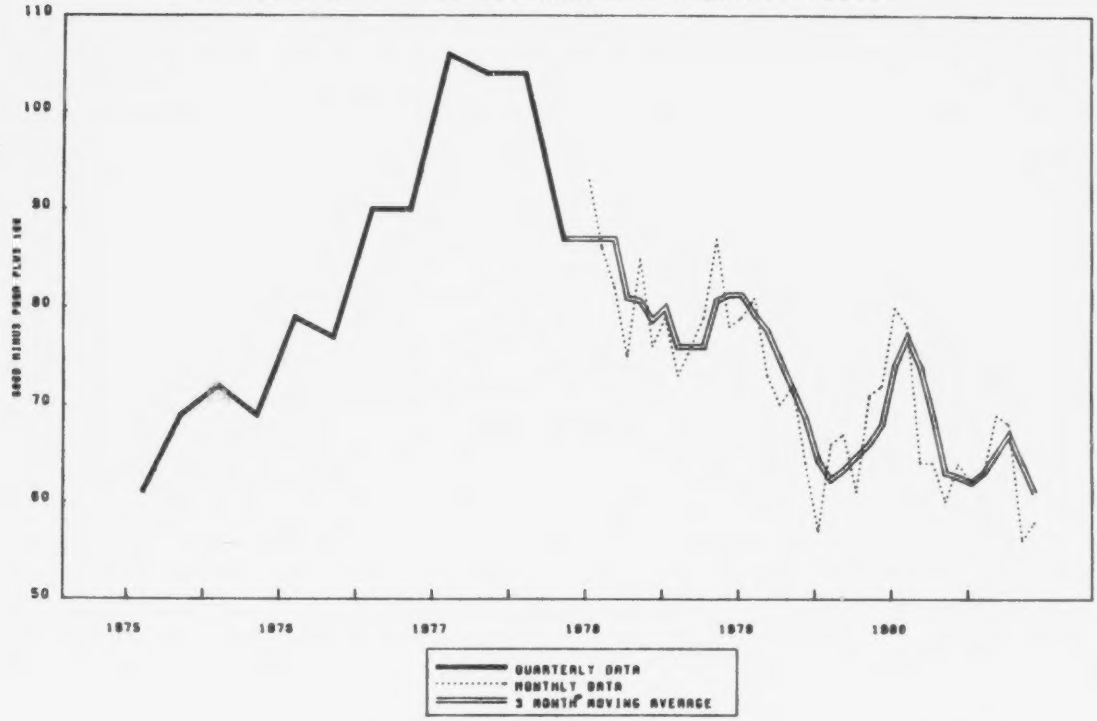


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

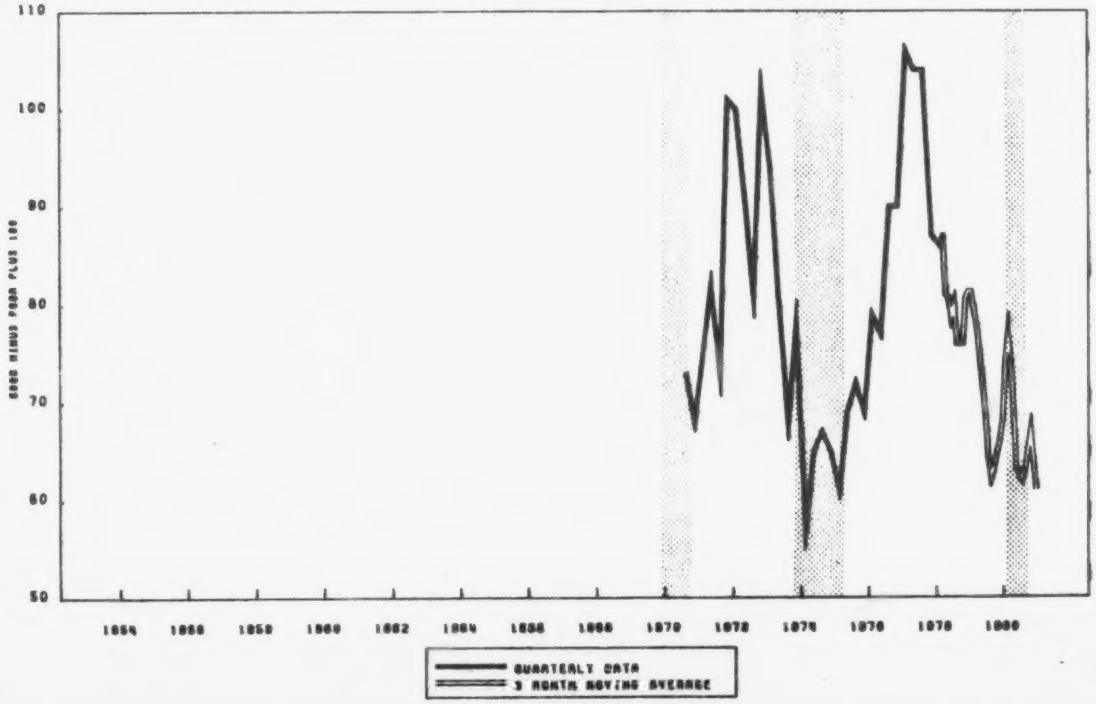


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
A GOOD JOB	9%	11%	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%
ONLY FAIR	49	54	51	46	48	48	40	41	45	46	50	41	42
A POOR JOB	38	31	34	43	42	45	46	47	45	41	40	50	49
DK,NA	4	4	3	4	4	2	4	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

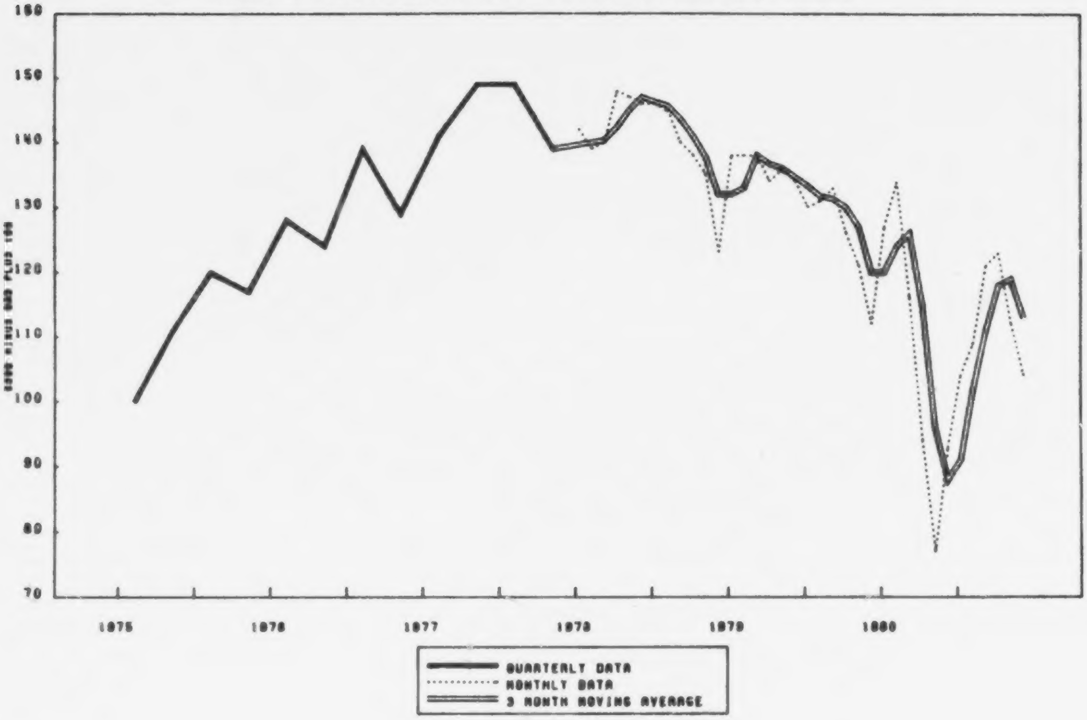


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

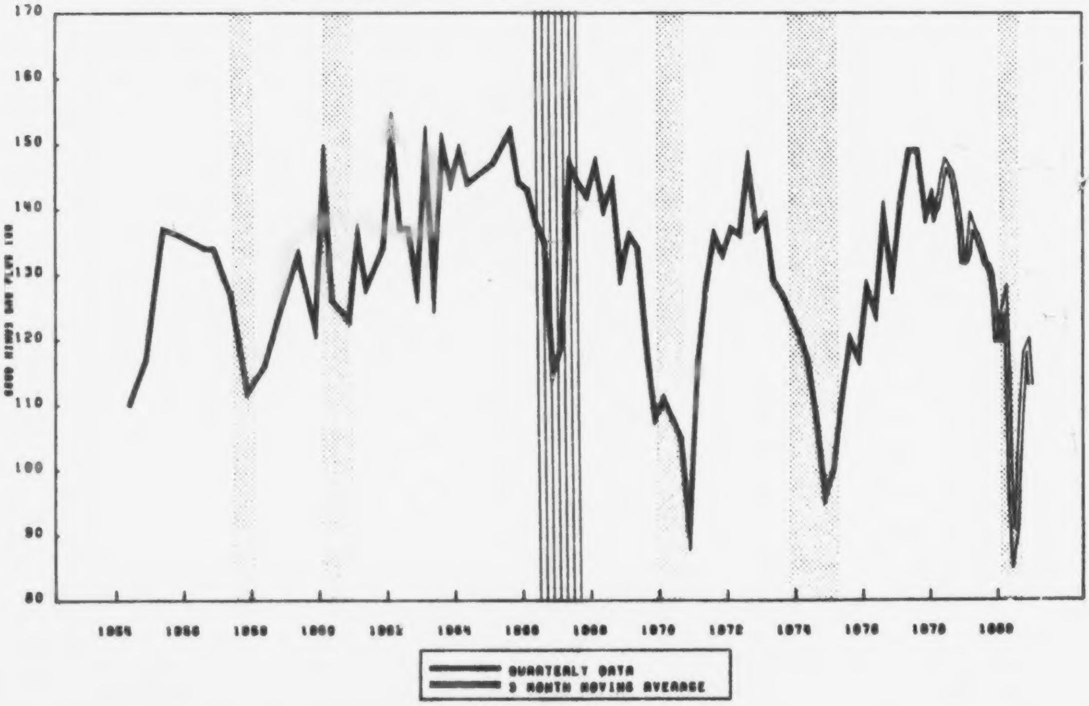


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY	52%	60%	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%
UNCERTAIN, DEPENDS	6	7	14	8	12	7	11	16	15	17	13	12	14
BAD TIME TO BUY	42	33	26	38	47	58	48	40	38	31	32	38	41
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	12%	17%	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%
Prices won´t come down; are going higher	38	47	33	43	28	23	26	22	27	31	30	31	24
Interest rates low; credit is easy	3	3	3	5	3	2	3	5	5	3	4	2	3
BAD TIME TO BUY:													
Prices are high	25	20	16	23	30	34	29	23	23	20	16	23	26
Interest rates are high; credit is tight	17	12	11	19	28	31	24	19	16	13	17	17	22
Lack of purchasing power	15	19	8	12	14	16	15	20	14	12	11	11	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

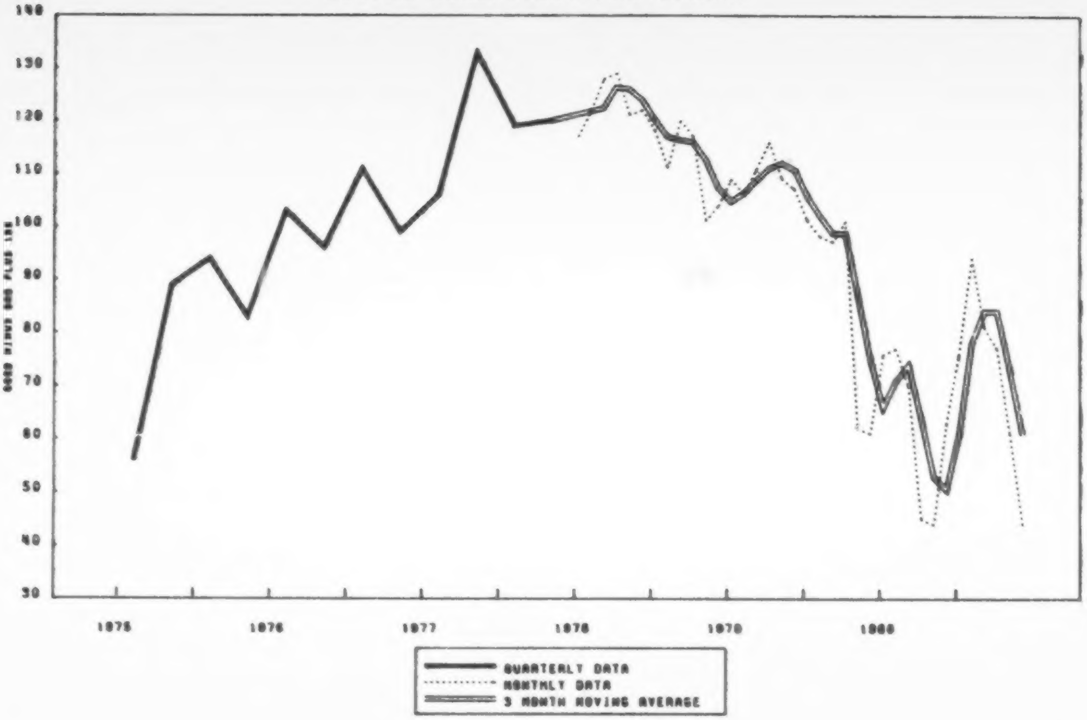
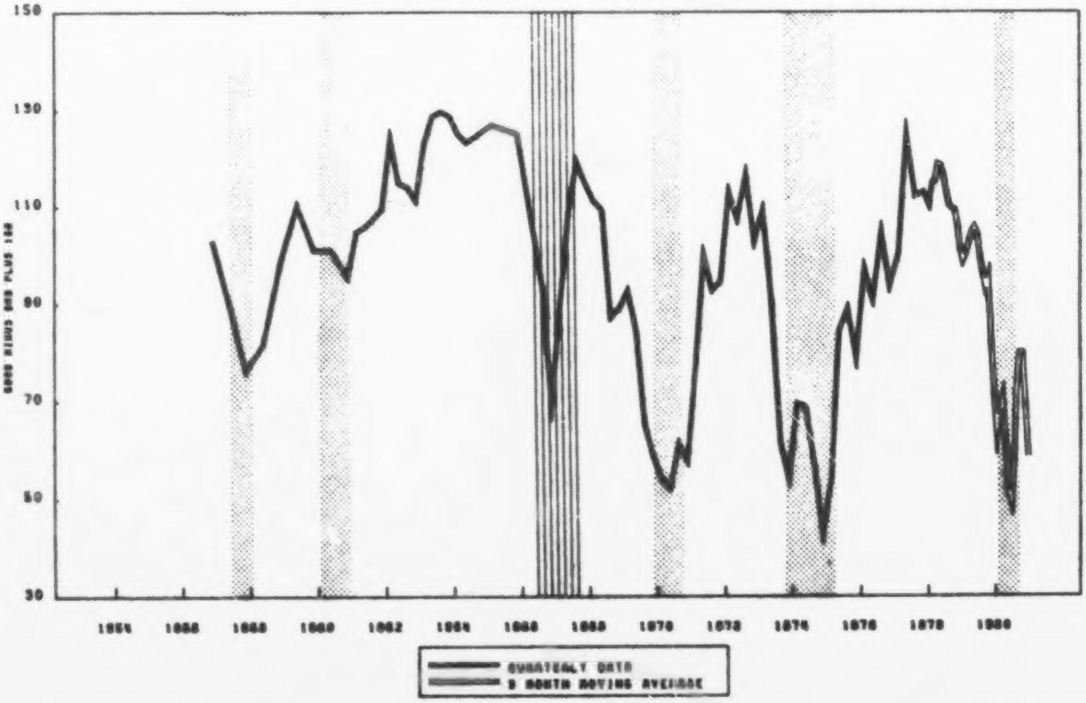


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



*53

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY	28%	36%	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%
UNCERTAIN, DEPENDS	6	4	5	6	7	8	5	8	6	5	5	5	6
BAD TIME TO BUY	66	60	59	62	74	74	66	58	50	57	59	67	75
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	na	na	4%	na	4%	3%	6%	9%	9%	7%	4%	4%	4%
Prices won't come down; are going higher			20		8	8	11	12	14	17	17	16	10
Interest rates low; credit is easy			9		3	6	16	23	28	22	16	10	6
Good investment			12		9	7	5	6	10	9	8	7	6
BAD TIME TO BUY:													
Prices are high			30		31	30	27	30	26	29	27	28	28
Interest rates are high; credit is tight			56		76	75	66	53	41	50	56	66	77
Lack of purchasing power			8		8	9	10	15	12	11	12	11	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

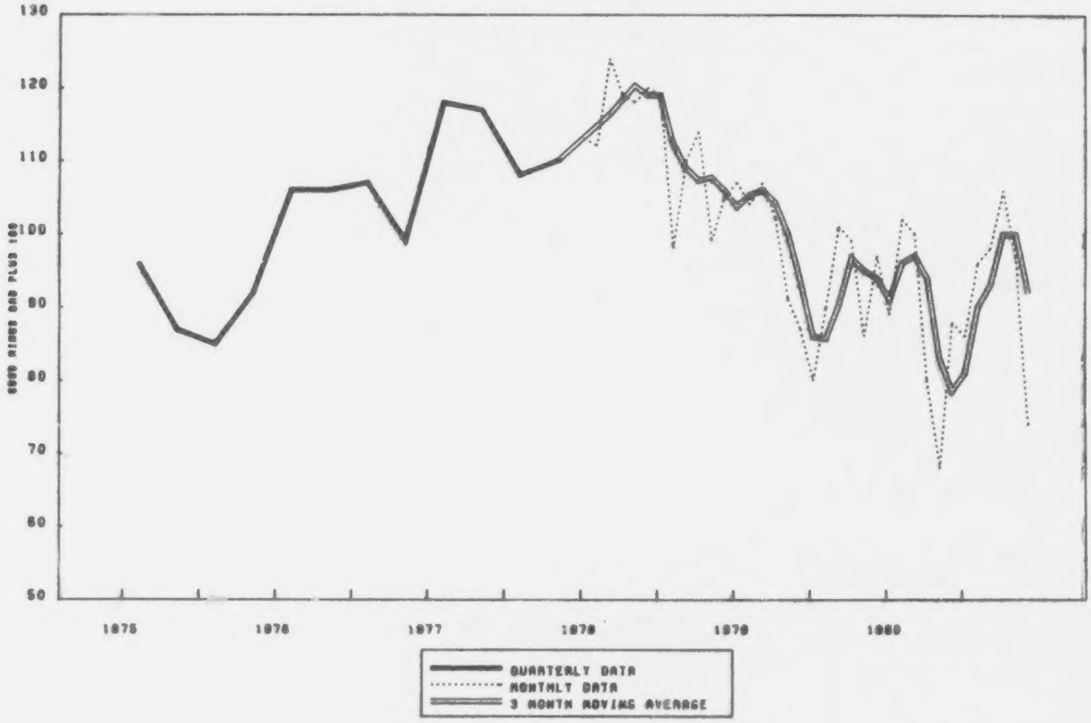


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

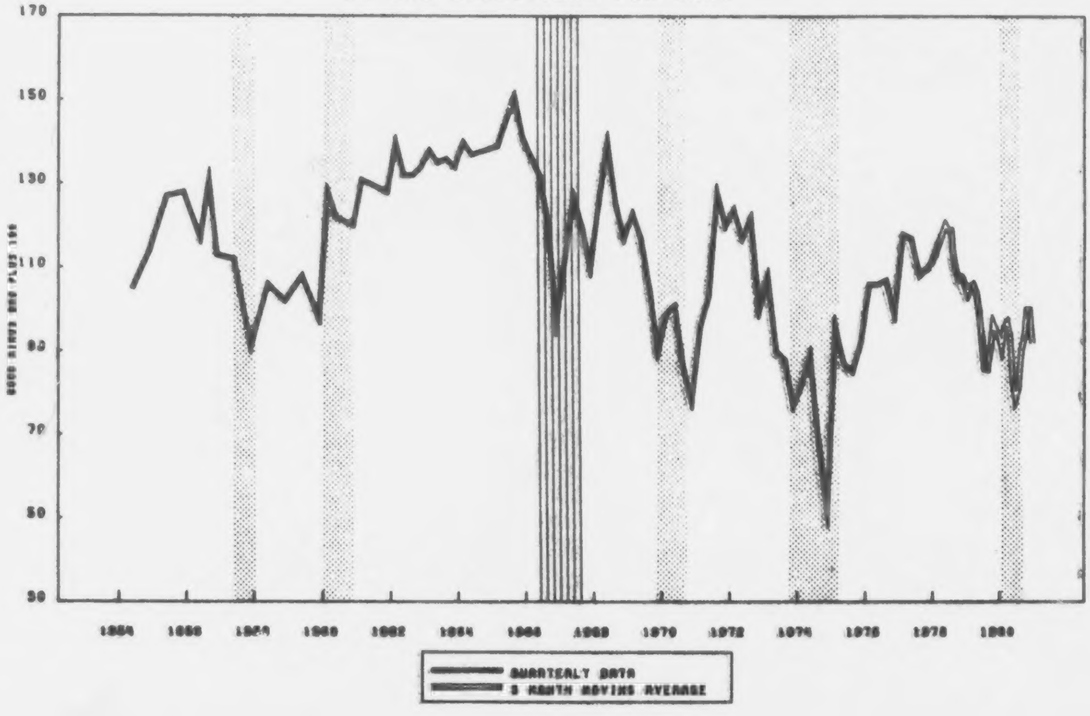


TABLE 30

BUYING CONDITIONS FOR CARS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY	44%	40%	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%
UNCERTAIN; DEPENDS	9	10	8	10	10	10	14	14	12	14	16	15	8
BAD TIME TO BUY	47	50	45	45	55	61	49	50	46	44	39	44	59
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	850	769	1019	707	719	703	688	668	658	682	685	694	684

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	13%	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%
Prices won´t come down; are going higher	20	22	19	22	10	8	9	13	12	19	17	16	12
Interest rates low; credit is easy	1	2	3	3	4	1	3	4	4	4	3	3	4
New fuel efficient models	10	8	14	13	12	6	5	3	7	9	12	7	5
BAD TIME TO BUY:													
Prices are high	27	31	22	25	32	30	24	27	27	31	23	28	31
Interest rates are high; credit is tight	18	13	14	17	24	29	22	11	11	10	14	17	29
Lack of purchasing power	7	9	4	6	6	7	6	9	9	6	8	7	9
Price of gas; shortages	13	19	13	16	16	15	9	6	5	5	4	4	5
Poor selection; quality	8	10	10	9	8	7	10	13	13	11	13	10	12

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
PROBABLY WILL BUY	na	na	20%	na	16%	13%	12%	17%	16%	16%	15%	17%	14%
CHANCES ARE EVEN			8		7	7	8	5	7	6	7	6	6
PROBABLY WILL NOT BUY			62		69	67	68	67	61	70	67	66	67
DK,NA			10		8	13	12	11	16	8	11	11	13
TOTAL			100%		100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES			1019		719	703	688	668	658	682	685	694	684

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	na	28%	na	23%	20%	20%	22%	23%	22%	22%	23%	20%
PURCHASE TYPE:													
Buy new			14		11	7	9	10	8	11	12	11	8
Buy used			12		9	9	7	11	12	9	7	9	9
Lease			1		2	1	1	1	1	1	2	*	1
DK,NA			1		1	3	3	*	2	1	1	3	2
PURCHASE TIMING:													
Next 3 months			2		4	2	1	5	3	1	3	4	2
Next 4-6 months			7		6	6	6	5	5	6	4	3	3
Next 7-9 months			7		6	5	5	3	4	2	7	6	5
10 months or more			6		2	3	5	4	4	4	4	4	5
DK,NA			6		5	4	3	5	7	9	4	6	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	na	62%	na	69%	67%	68%	67%	61%	70%	67%	66%	67%
PURCHASE TYPE:													
Would buy new			36		40	39	38	40	35	38	44	38	37
Would buy used			24		26	25	27	24	24	30	20	26	27
DK,NA			2		3	3	3	3	2	2	3	2	3
PURCHASE TIMING:													
Less than 2 years			7		8	7	6	4	6	5	5	6	7
2 years			21		14	17	21	20	18	23	20	23	20
3 years			7		12	10	11	10	8	12	15	11	12
4 years or more			17		20	19	20	21	21	18	15	15	18
Indefinite			3		6	4	3	4	4	4	3	5	3
DK,NA			7		9	10	7	8	4	8	9	6	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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SURVEY RESEARCH CENTER · UNIVERSITY OF MICHIGAN

DECEMBER 1980 SURVEY
MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*
January 9, 1981

SHARP DECLINE IN CONSUMER SENTIMENT

**In the December 1980 Survey of Consumer Attitudes, the Index of Consumer Sentiment was 64.5, a decline of 12.2 Index-points from the 76.7 recorded in November 1980, and 9.2 Index-points below the three-month earlier reading of 73.7 in September 1980. This decline reverses nearly half of the rapid 25 point improvement recorded during the past half year. The sharpest declines were recorded in short term business expectations and buying attitudes, due to heightened concern with interest rates.

**Among families with incomes of $20,000 or more, the Index was 66.9 in the December 1980 survey, a decline of 15.8 Index-points from the November 1980 reading of 82.7. The December decline was widespread among residents of all major geographic regions and age subgroups.

**Good times financially during the next year in the economy as a whole were expected by 26 percent of all families in December 1980, down from 39 percent in November. Long term business expectations also became more pessimistic, with 25 percent of all families expecting good times in December 1980, down from 36 percent in November. Despite these recent declines, business expectations were more favorable in December 1980 than one year earlier.

**Respondents in the December 1980 survey more frequently expected increases in unemployment (39 percent, up from 24 percent in November 1980), expected a higher rate of inflation (10.1% in December, up from 8.7% in November 1980), and the majority continued to expect increases in interest rates (53 percent in December, up from 51 percent in November 1980).

**Attitudes toward buying conditions for houses and cars declined significantly in the December survey, due to greatly heightened concern with interest rates. Among all families, fully three-in-four rated buying conditions for houses as unfavorable in December 1980, a new all-time record level. The majority of households (59 percent) rated buying conditions for cars as unfavorable in the December survey, up from 44 percent in November 1980.

* * *

There are several reasons to partially discount the steep December decline. Following the most rapid pace of improvement ever recorded from a cyclical trough, it should be no surprise that this pace was too rapid to sustain for long. In addition, past December surveys indicated a seasonal tendency toward greater pessimism. Finally, the volatility of trends in consumer attitudes and expectations continues to exaggerate month-to-month variations. On balance, there is at the present time more reason to expect that this reversal in trend will be temporary, rather than signal a renewed downturn. Overall, these data suggest that the recovery in consumer sales will continue to be cautious and responsive to changes in credit conditions.

Seasonal Variation

The quarterly series of the Index of Consumer Sentiment covering the last 20 years has shwon no systematic evidence of seasonal variation when tested using the Census X-11 procedure. The monthly series, started in 1978, is of insufficient length for rigorous testing, and is currently published without seasonal adjustment. There is, however, weak evidence that the month of December is associated with lower levels of optimism that would otherwise be expected, and the month of January with somewhat higher levels. Since the seasonal factors shift from negative to positive at the turn of the year, the depressed December reading may be followed by a "seasonal" improvement in January.

Personal Finances Strained

Following modest improvements during mid-1980, consumer evaluations of their personal financial situation slid back to near record low levels. Almost half of all families in the December survey (48 percent) reported they were worse off financially than a year earlier, nearly equal to the all-time record level of 51 percent recorded in April 1980. When explaining changes in their financial situation, families less frequently mentioned that their incomes had increased during the past year (25 percent in December, down from 31 percent in November 1980), and more frequently singled out inflation for making their families worse off financially (48 percent in December, up from 39 percent in November 1980).

On balance, personal financial expectations have traced a volatile but horizontal path during the past year. In both the December 1980 and December 1979 surveys nearly identical results emerge: one-in-four families expected to be better off financially, one-in-four expected to be worse off, and the remaining half expected their financial situation to remain unchanged during the year ahead. The proportion of families who expected their financial situation to improve fell to 25 percent in December from 35 percent in November 1980. This marks the second sharp reversal in the upward trend since the trough level in personal financial expectations was recorded in mid-1979. Repeated short reversals in trend have characterized the decline and recovery paths in personal financial expectations during the past decade.

Increases expected in nominal family income were somewhat less favorable in the December survey than one month earlier, but nonetheless remained at relatively high levels. The proportion of families who expected family income increases of 10% or more was 29 percent in December, down from 33 percent in November 1980, while the proportion who expected declines in their family income increased to 11 percent in December from 7 percent in November 1980.

Rising Interest Rates Diminish Business Outlook

News items heard and recalled of recent changes in business conditions were more frequently negative in the December 1980 survey (four-to-one margin) than in November 1980 (two-to-one margin). The increase in reports of unfavorable changes were dominated by references to high and increasing interest rates. Fully 72 percent of all families, in December 1980, thought business conditions had worsened during the past year, up from 67 percent in November. Although the majority thus continue to view the economy as in the midst of a recession, the proportion nonetheless remains lower than the near consensus level of 90 percent recorded in mid-1980.

Business conditions were less frequently expected to improve during the year ahead in December (29 percent) than November 1980 (40 percent). As with other expectational measures, this marks the second reversal in the upward trend since its mid-1979 low was recorded. Despite the recent drop, expected changes in business conditions were still more favorable in December 1980 than a year earlier. At year-end 1979, twice as many families expected business conditions to worsen rather than to improve during the year ahead (36 versus 17 percent), whereas by December 1980, business conditions were more frequently expected to improve rather than to worsen (29 versus 20 percent). When asked why they expected business conditions to change, a sizeable proportion in both the November and December 1980 surveys expected improvement because of anticipated changes in government economic policies by the incoming Reagan administration (27 percent in December, down from 34 percent in November 1980).

The decline in the general outlook for business conditions stemmed from expected increases in interest rates, unemployment, and inflation. In the December 1980 survey, half of all families (53 percent) expected interest rates to increase during the year ahead. The proportion of families expecting interest rate increases, after falling to a low of 21 percent in mid-1980 following the March peak, rose to approximately 50 percent and has remained at that level since the September 1980 survey. Unemployment was more frequently expected to increase in December 1980 (39 percent) than in November 1980 (24 percent), although the expectation of spreading unemployment remained much less frequent than in December 1979 (61 percent). Consumers expected prices to increase during the next 12 months by an average of 10.1%, up from 8.7% in November, and comparable to the 10.8% recorded in December 1979. The December 1980 survey was the first in eight months to record double-digit inflation expectations -- from May to November 1980, price expectations hovered in the narrow range of 8-9%.

Credit Conditions Restrain Consumer Buying

Unfavorable attitudes toward buying conditions grew substantially at year-end 1980 due to tight credit conditions. High interest rates continue to have the greatest impact on attitudes toward buying conditions for houses and cars. In the December 1980 survey, fully three-in-four families, a new record level, felt that buying conditions for houses were unfavorable. Attitudes toward the housing market have varied considerably during the past six months, in close correspondence to changes in perceived credit conditions. The proportion of families who felt buying conditions for houses were unfavorable due to high interest rates and tight credit conditions fell from 75 percent in May 1980 to 41 percent in August 1980, and then rose again to 77 percent in December 1980.

Consumer evaluations of market conditions for automobiles recorded in the December 1980 survey nearly reversed the entire improvement recorded since the May 1980 low. Among all families, 59 percent rated buying conditions for automobiles unfavorably in December, up from 44 percent in November 1980. When explaining their views on market conditions for automobiles, 29 percent made references to unfavorable credit conditions in December, up from 17 percent in November 1980. Car buying attitudes in December 1980 were less favorable than a year earlier, when nearly equal proportions rated buying conditions favorable as unfavorable (44 versus 47 percent). By December 1980, unfavorable rather than favorable attitudes clearly dominated by a margin of 59 to 33 percent. In comparison with a year earlier, fewer respondents mentioned price incentives (including buy-in-advance price rationales) when evaluating car buying conditions, and more frequently mentioned tight credit restraints.

In contrast to 1978 and 1979 when buy-in-advance price rationales dominated trends in buying attitudes, credit conditions played the dominant role in shaping buying attitudes during 1980. The dramatic announcement of the credit restraint program greatly heightened its impact on consumer attitudes in early 1980, and the widely publicized movements in prime rates continue to accentuate shifts in consumer attitudes. During 1981, changes in credit conditions are likely to continue to dominate the pace of recovery. Although consumers can and have adapted to higher levels of interest rates, sharp changes in interest rates will continue to accentuate swings in consumer sales.

* * *

The December 1980 survey included 684 interviews conducted between December 1 and December 30, 1980.

NOTE

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JANUARY 1981

The January 1981 survey is the 126th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

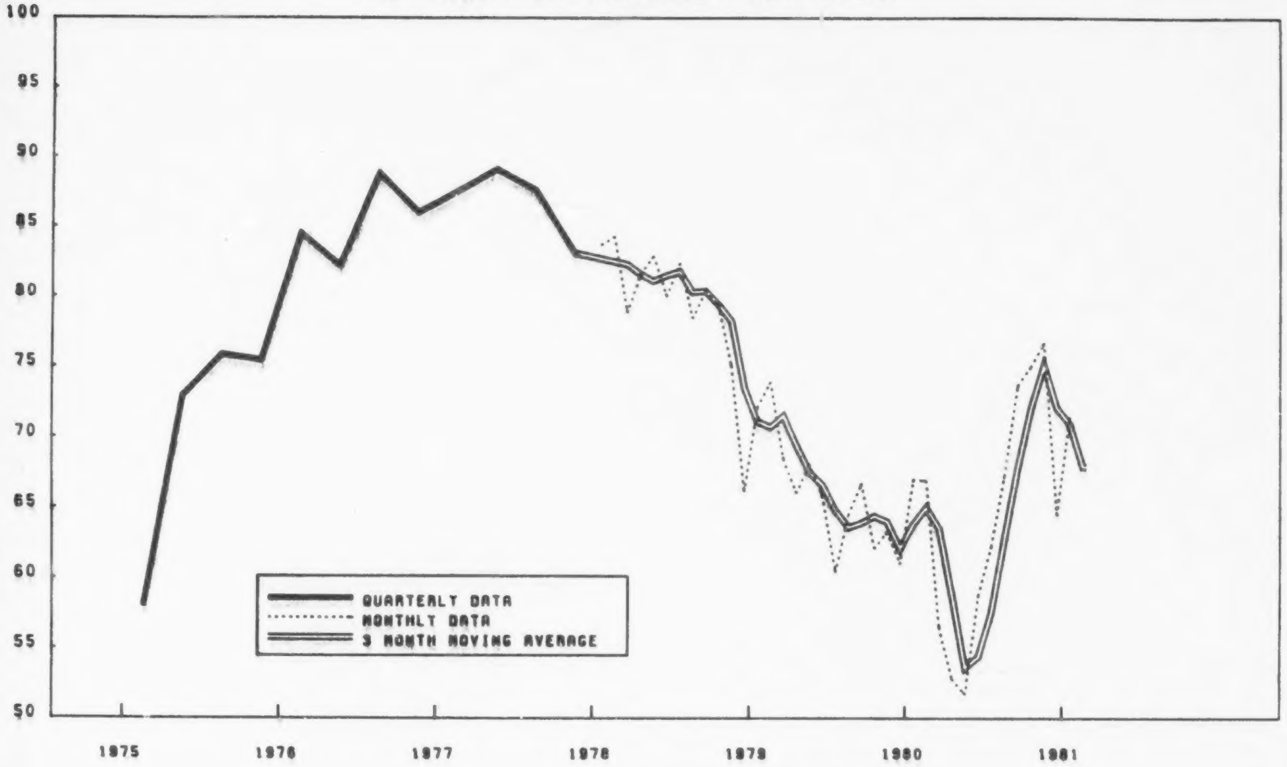

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

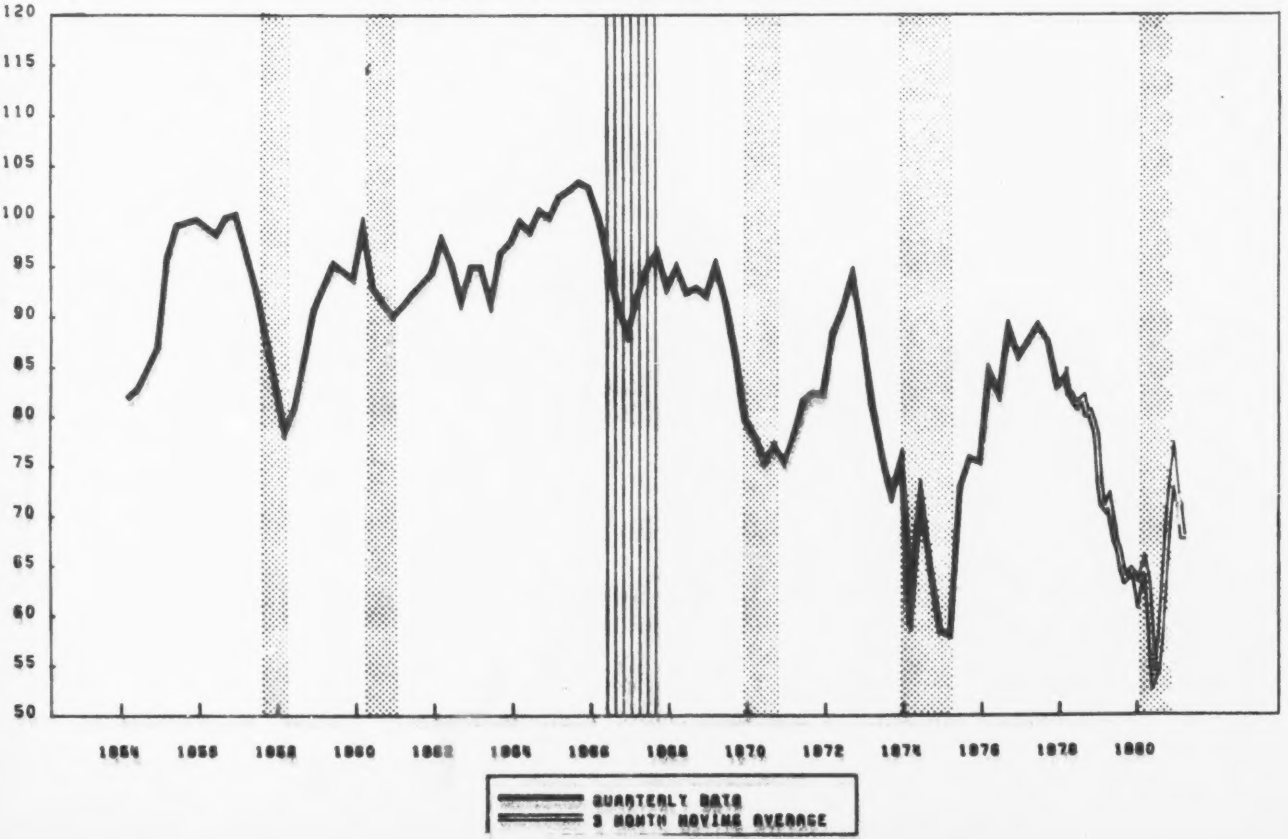

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
January 1978	83.7	95.6	94.7
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1

CHART 2A
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

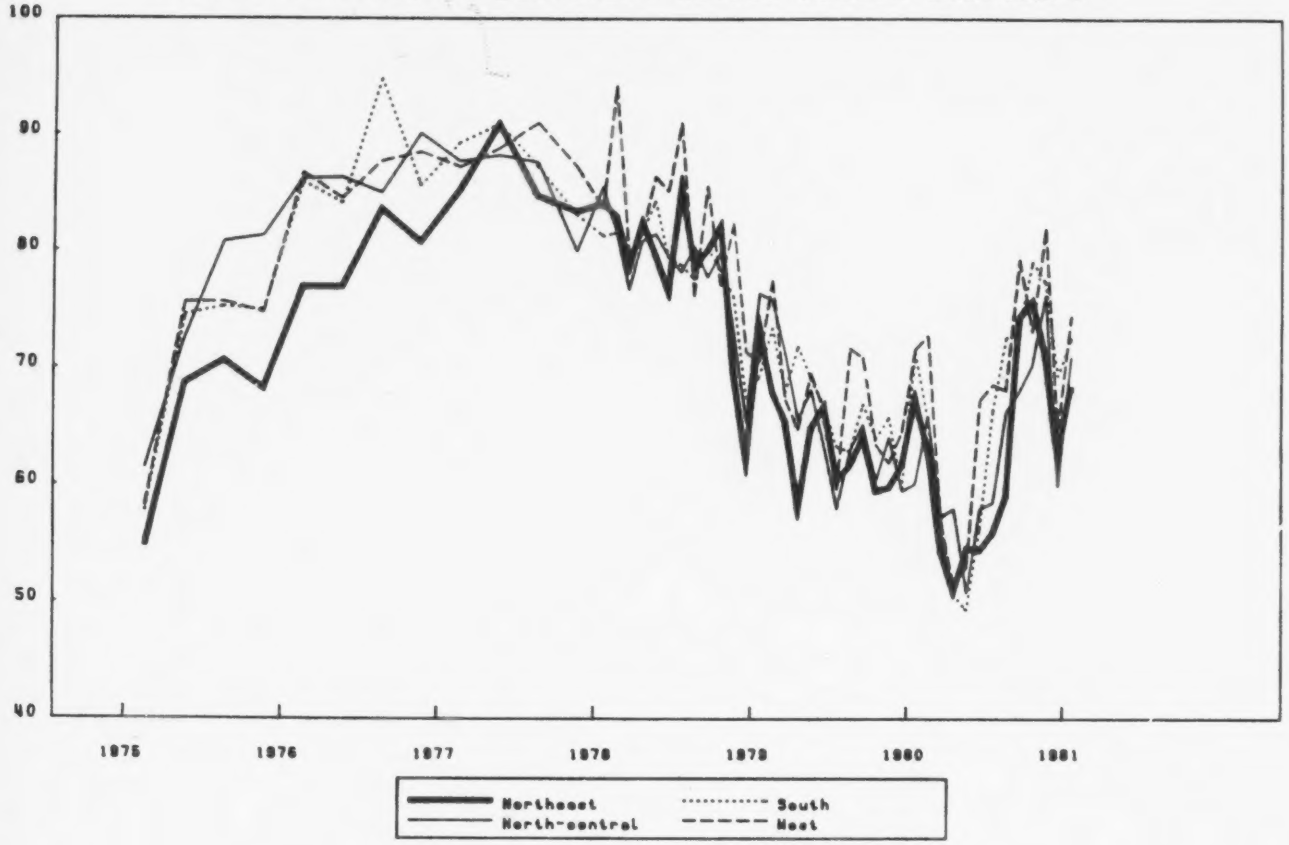

CHART 2B - RECENT CHANGES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

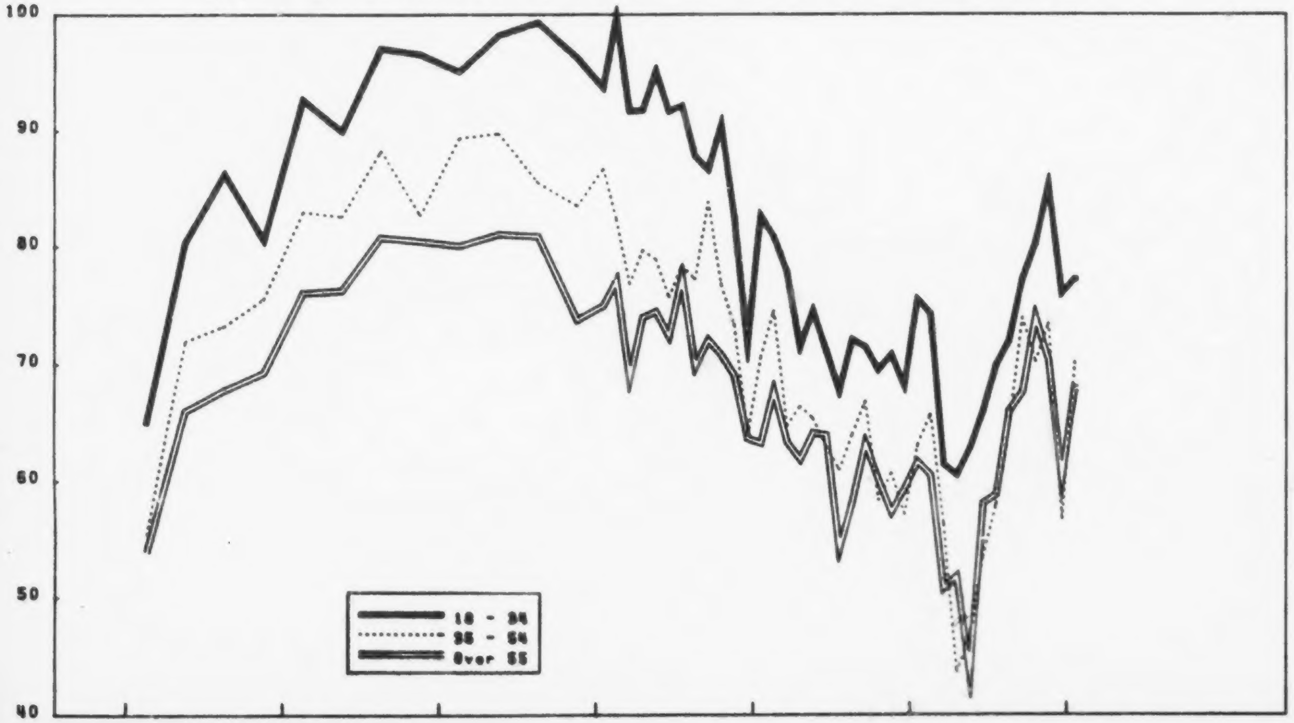

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
January	1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February	1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	83.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

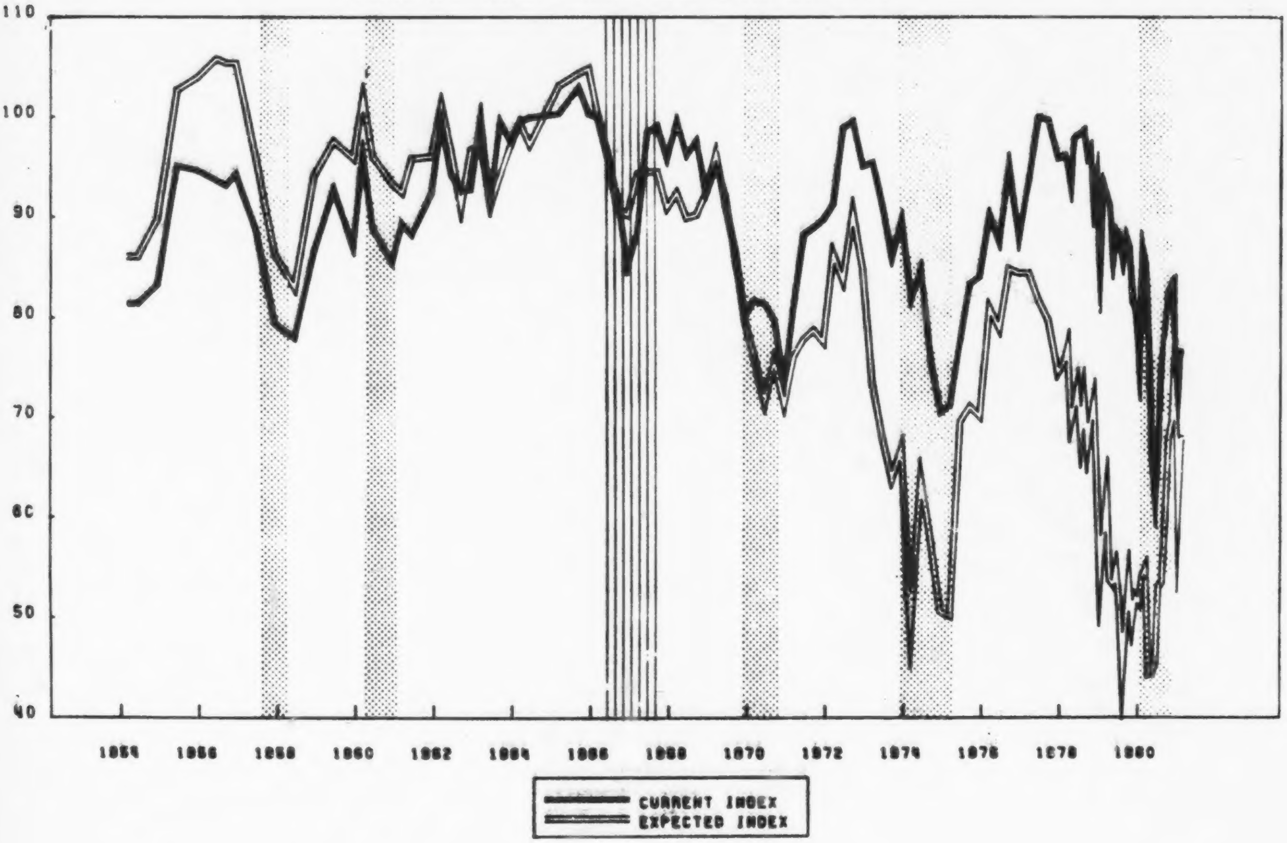

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS + Personal finances Current (1)	Expected (2)	Business conditions 12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
January	1978	105	114	106	80	142	96.2	75.7
February	1978	106	109	103	89	139	95.4	77.2
March	1978	100	107	91	76	140	93.2	69.5
April	1978	104	112	99	71	148	98.0	71.1
May	1978	105	111	99	79	147	98.2	73.0
June	1978	107	102	97	71	146	98.4	68.1
July	1978	108	111	105	69	146	98.7	72.0
August	1978	101	112	82	70	145	96.1	67.0
September	1978	109	109	96	71	140	96.9	69.8
October	1978	96	104	103	77	138	91.2	71.7
November	1978	106	106	74	67	135	94.1	62.8
December	1978	95	96	61	53	123	85.2	53.8
January	1979	101	99	72	58	139	93.3	58.4
February	1979	98	98	75	71	138	92.2	62.2
March	1979	96	99	57	53	138	91.2	53.7
April	1979	85	90	63	55	134	85.9	53.3
May	1979	91	95	58	62	136	88.7	54.9
June	1979	92	91	54	55	134	88.2	51.4
July	1979	90	92	39	40	130	85.7	44.2
August	1979	95	98	46	48	131	88.2	49.3
September	1979	90	98	60	51	133	87.1	53.6
October	1979	83	96	48	49	126	81.6	49.5
November	1979	86	97	52	54	120	80.9	52.0
December	1979	83	101	50	50	110	75.8	51.5
January	1980	96	106	58	47	127	87.1	54.1
February	1980	85	99	55	60	134	85.5	54.9
March	1980	76	92	38	41	116	75.3	44.3
April	1980	73	94	32	45	94	65.8	44.4
May	1980	79	100	31	44	77	61.7	45.3
June	1980	78	101	43	63	93	67.4	53.0
July	1980	90	105	45	58	104	76.1	53.4
August	1980	93	111	63	60	109	79.4	59.6
September	1980	91	117	83	69	121	82.7	67.9
October	1980	90	108	84	83	123	83.4	69.6
November	1980	83	118	94	93	112	76.4	76.9
December	1980	77	100	64	73	104	71.2	60.2
January	1981	80	109	78	81	116	76.7	67.9

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE") plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

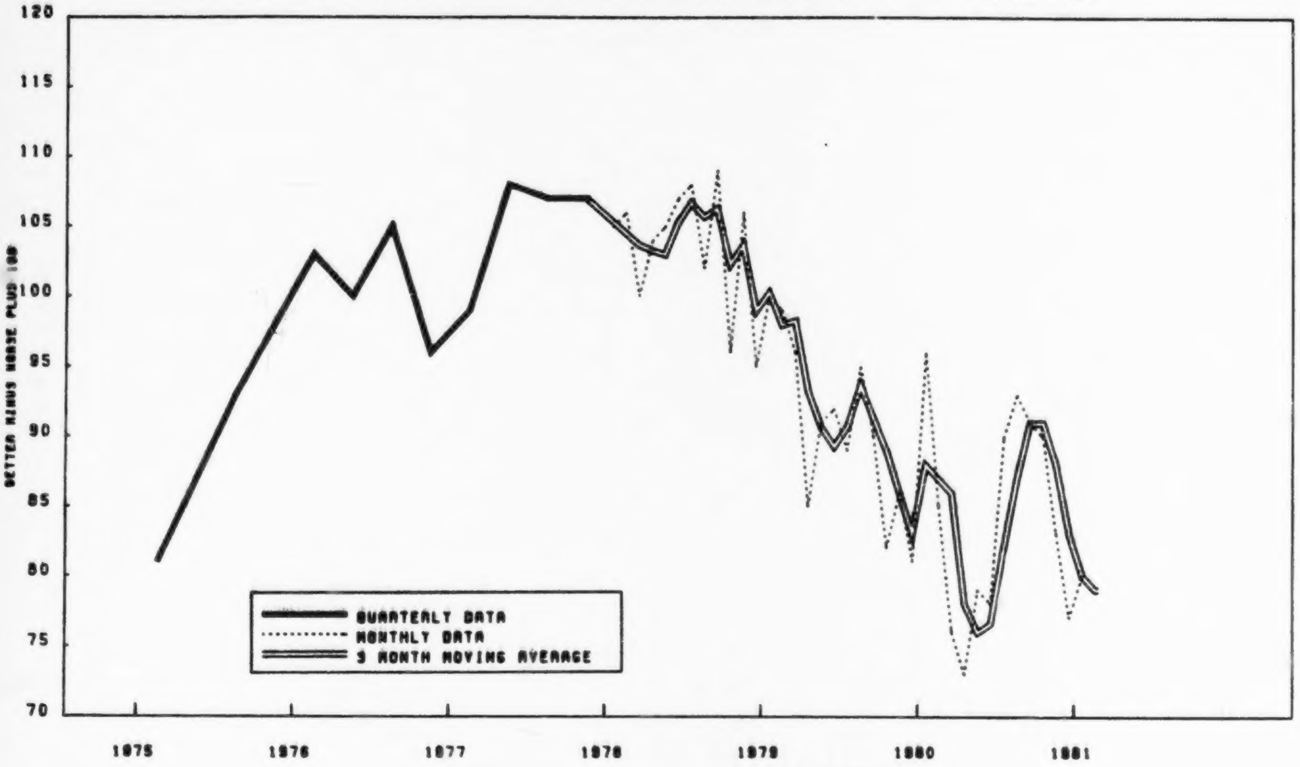

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

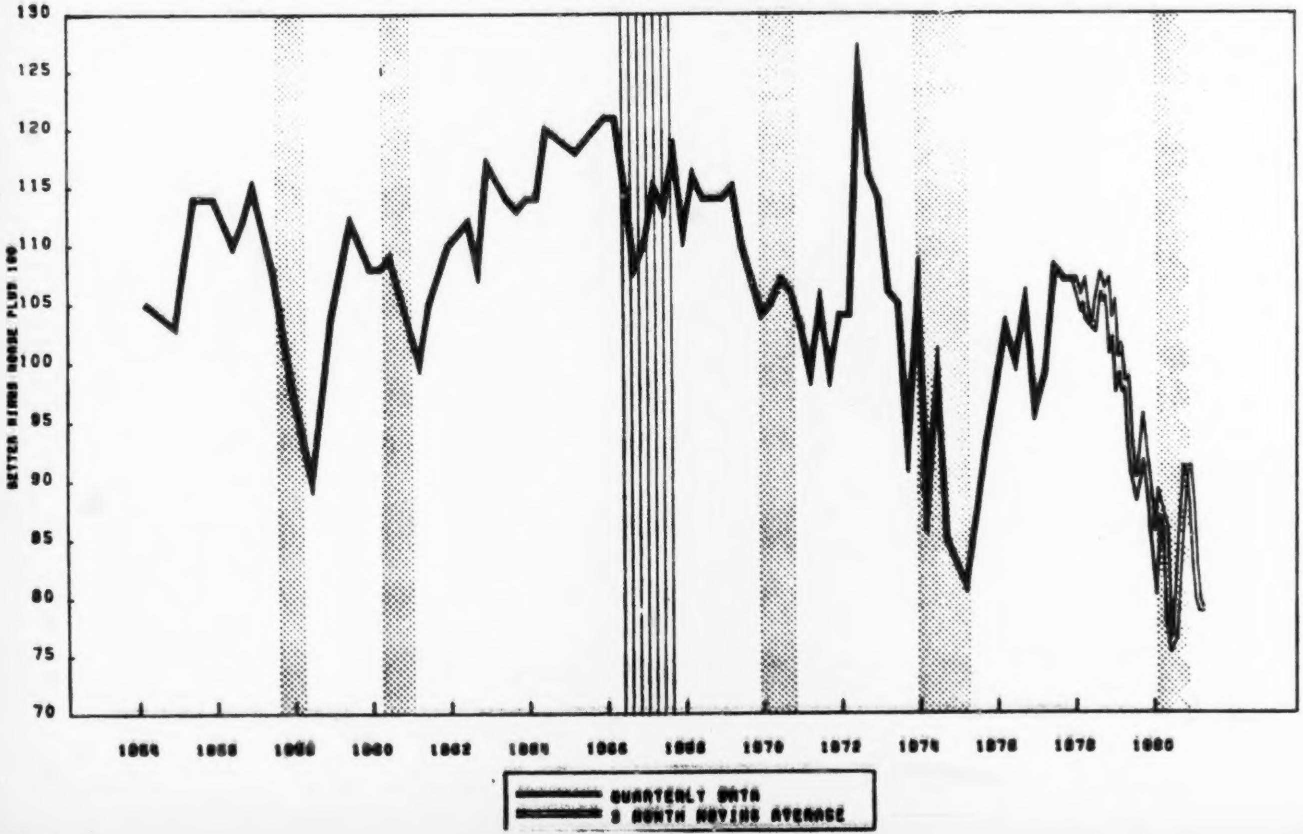

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF	34%	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%
SAME	28	25	28	25	26	26	29	26	27	30	26	26	30
WORSE OFF	38	45	48	51	47	47	40	40	40	40	45	48	45
DK,NA	*	*	*	*	1	2	1	1	2	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

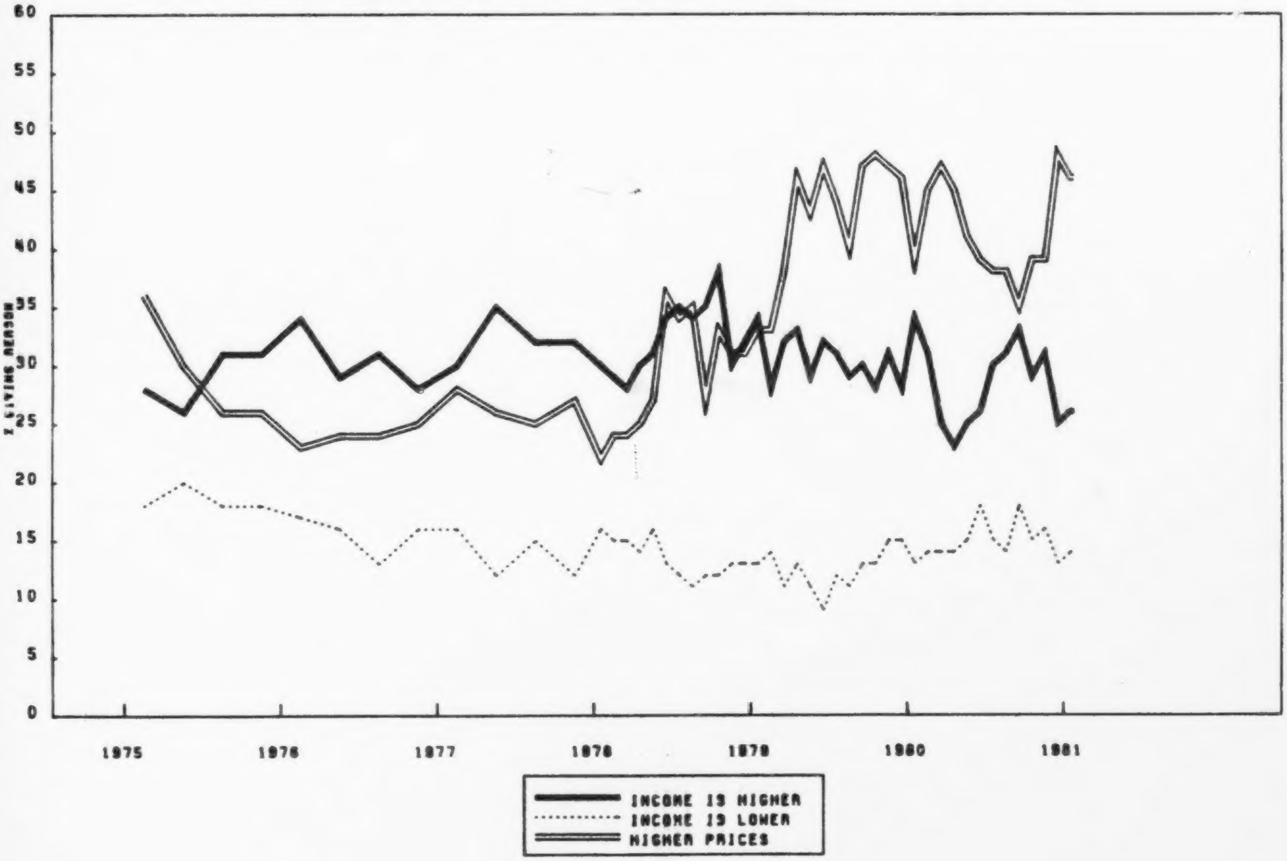

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	14	14	14	15	18	15	14	18	15	16	13	14
Higher prices	39	45	47	45	41	39	38	38	35	39	39	48	46

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

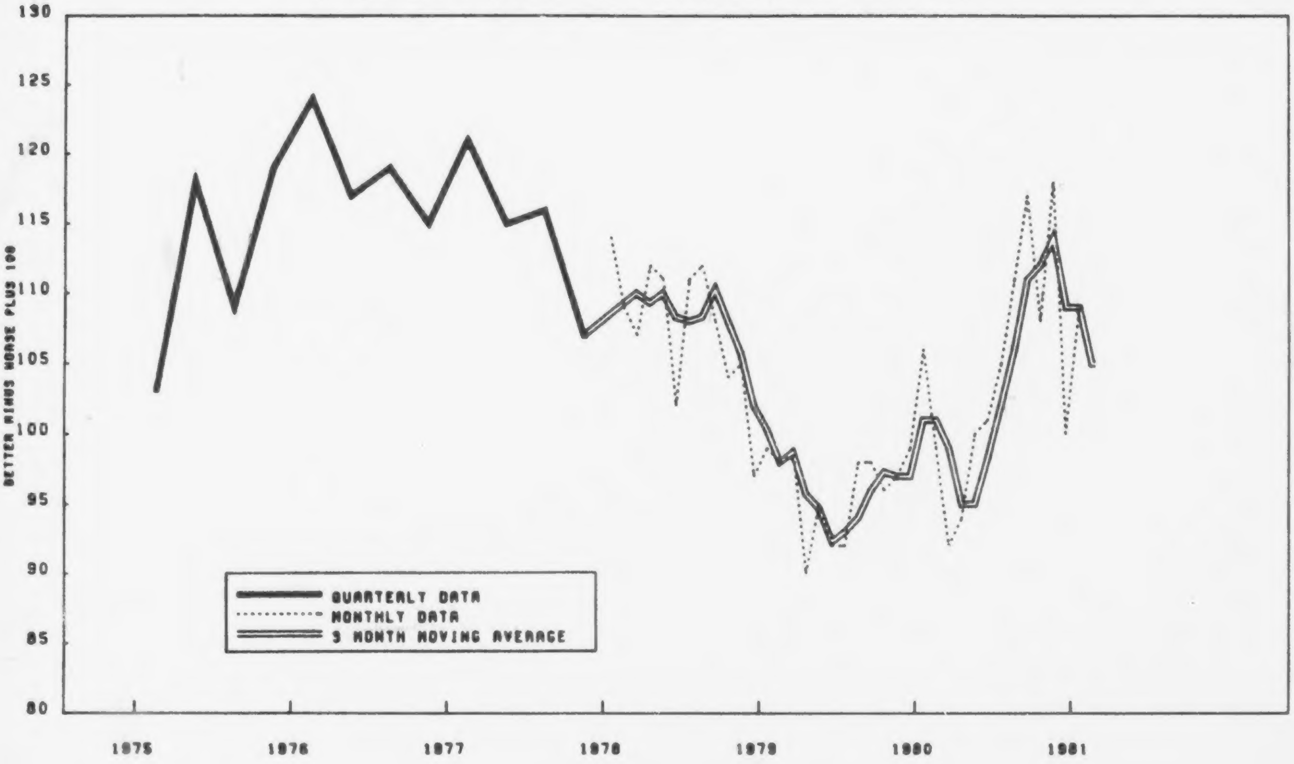

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

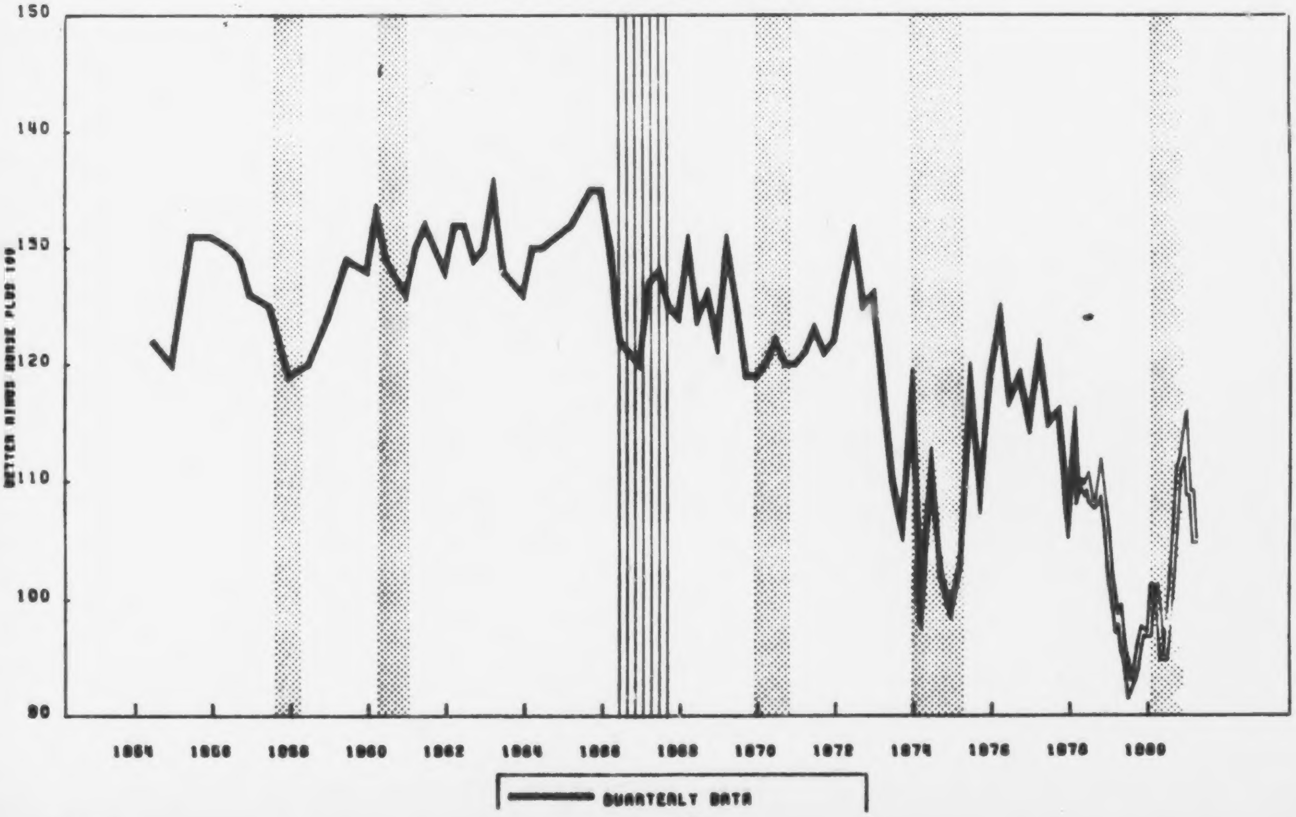

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF	28%	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%
SAME	46	45	47	42	43	46	48	48	45	50	42	45	48
WORSE OFF	22	26	28	31	27	25	21	19	17	17	17	25	18
DK,NA	4	4	5	2	3	3	5	3	4	8	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

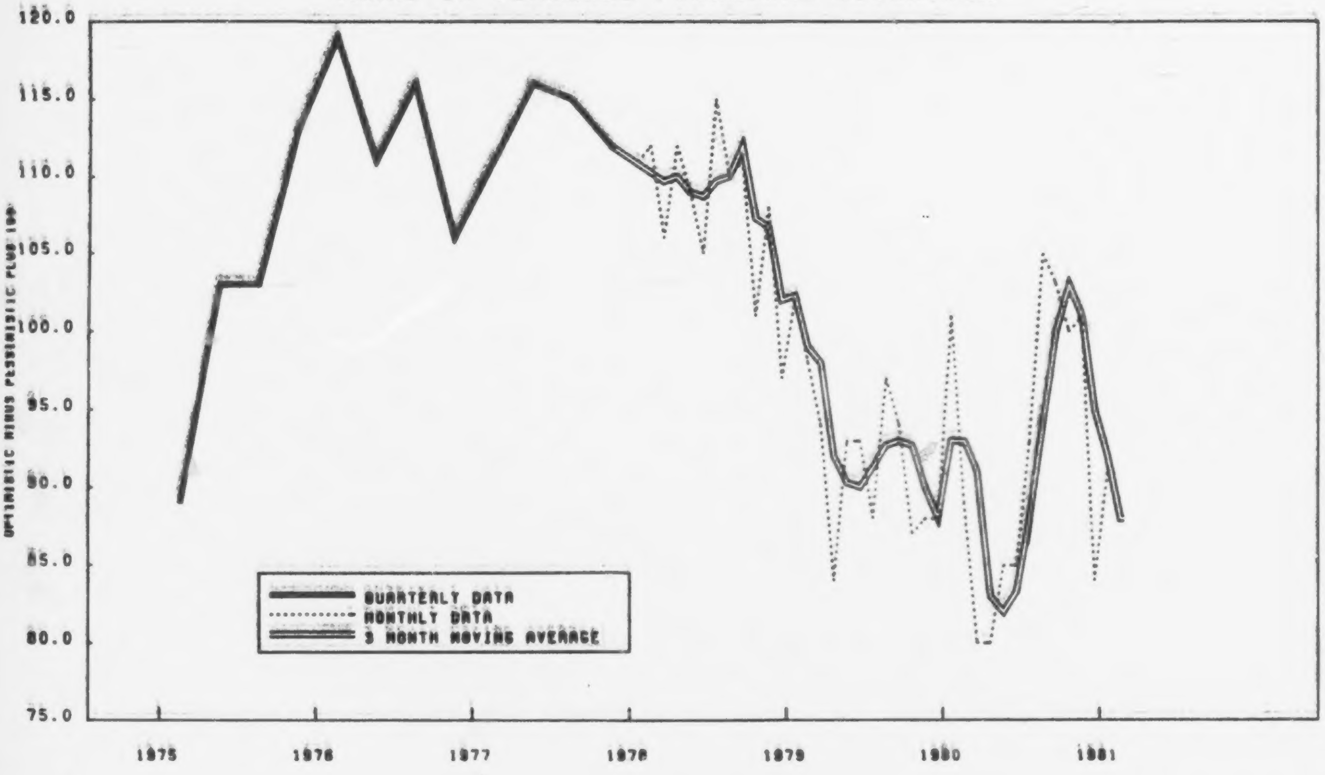

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

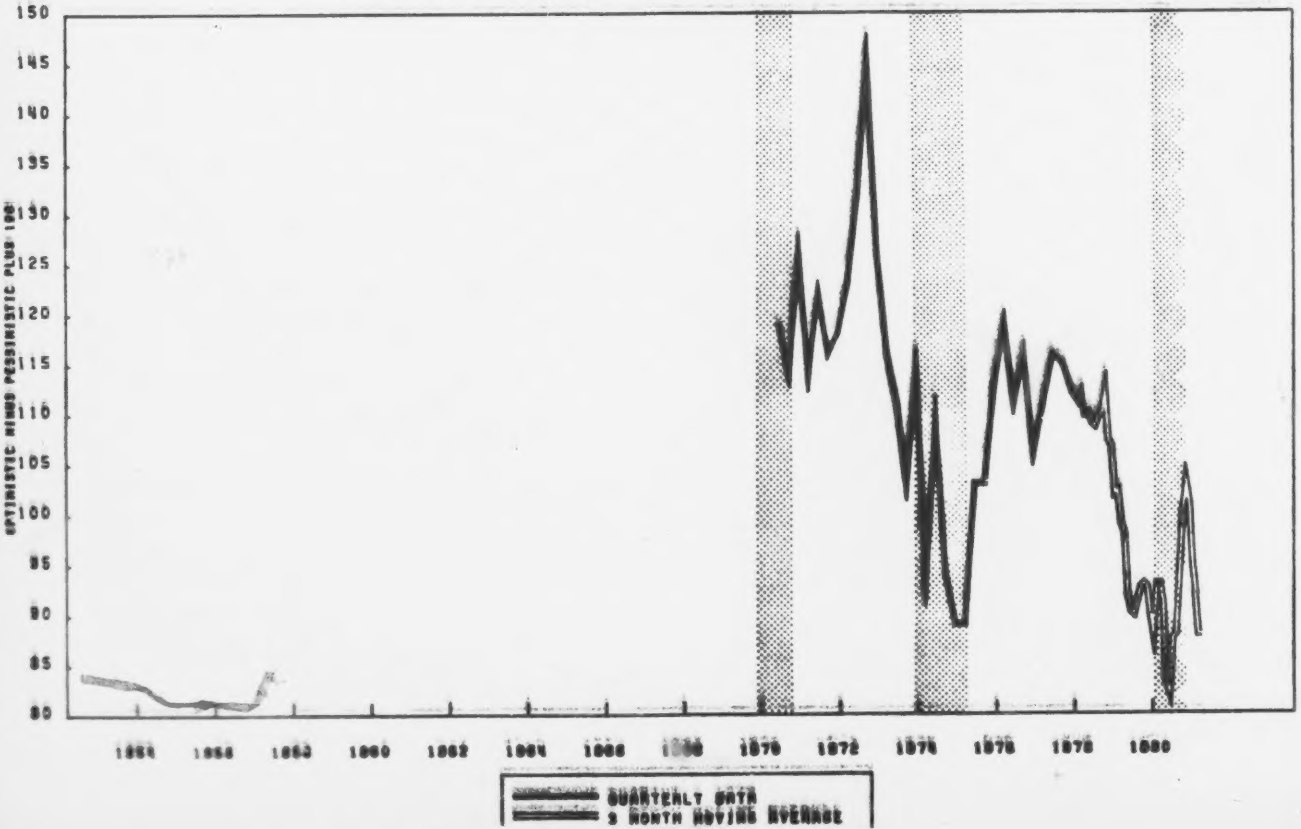

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	15%	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%
Intermittant increase (b)	21	19	16	16	17	16	19	22	19	20	19	18	17
Remain unchanged (c)	16	12	15	14	12	14	14	16	15	18	13	12	16
Intermittant decline (d)	20	25	27	23	27	27	28	17	21	21	22	28	25
Continuous decline (e)	14	18	17	21	16	14	10	12	9	11	9	15	11
Mixed change (f)	10	10	13	16	14	15	11	18	16	10	18	13	14
DK,NA	4	3	5	2	3	4	6	3	6	8	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan 198
EXPECT INCREASE:													
1-4%	na	6%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6
5%		8		8	7	7	8	10	7	7	10	7	8
6-9%		14		14	12	13	11	15	16	15	10	12	10
10-24%		20		23	24	25	20	20	21	21	26	22	21
25% or more		9		7	6	8	5	6	5	7	7	7	6
DK how much up		7		7	8	8	10	9	10	10	8	8	9
EXPECT SAME		24		25	22	21	21	21	21	21	24	22	24
EXPECT DOWN		10		9	13	12	18	11	10	9	7	11	12
DK,NA		2		2	2	1	2	2	3	2	3	3	4
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100
CASES		1019		719	703	688	668	658	682	685	694	684	69

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

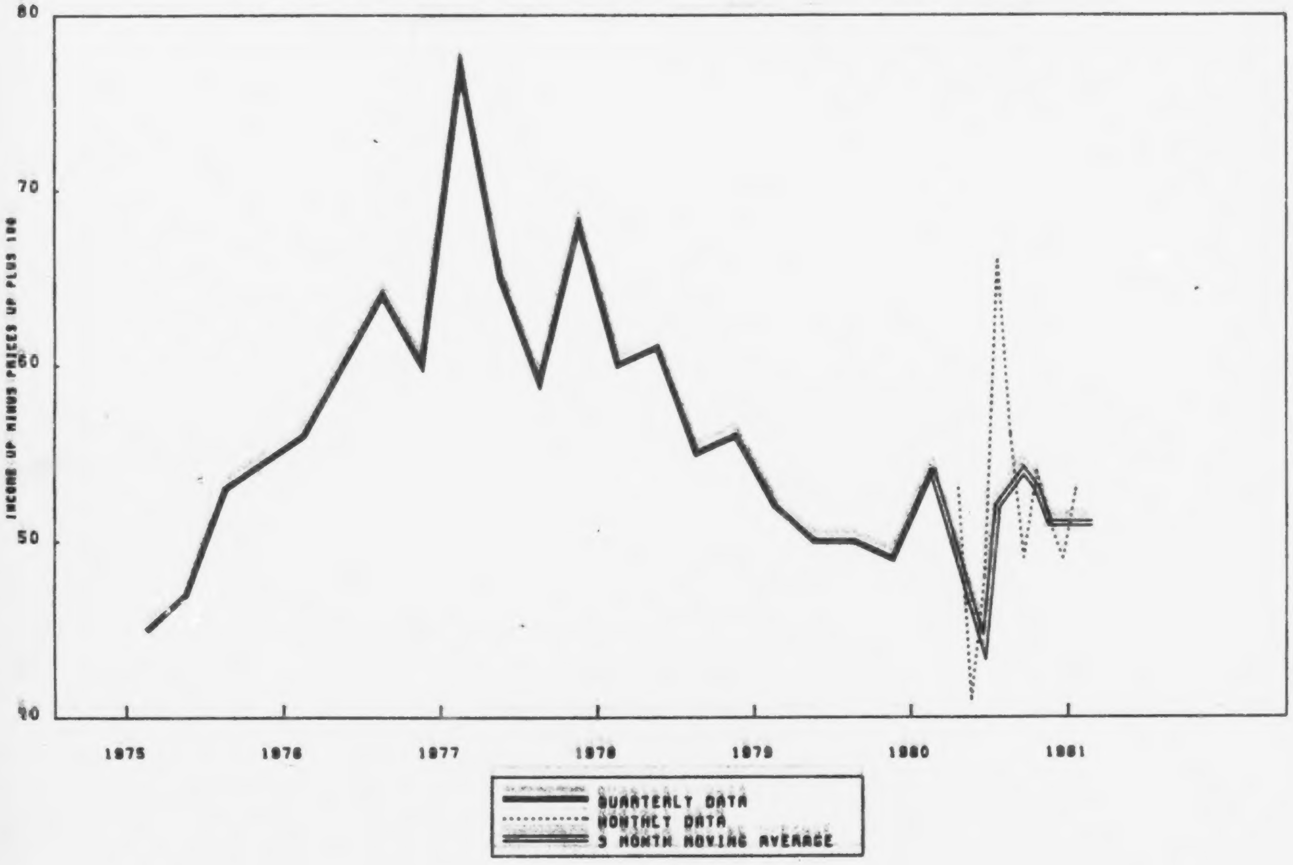

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1930	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
INCOME UP MORE	na	13%	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%
INCOME UP SAME		27		22	22	25	30	29	24	25	30	24	25
PRICES UP MORE		59		66	67	63	56	57	63	59	59	62	60
DK,NA		1		1	3	1	2	1	1	3	1	3	2
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	658	682	685	694	684	698

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

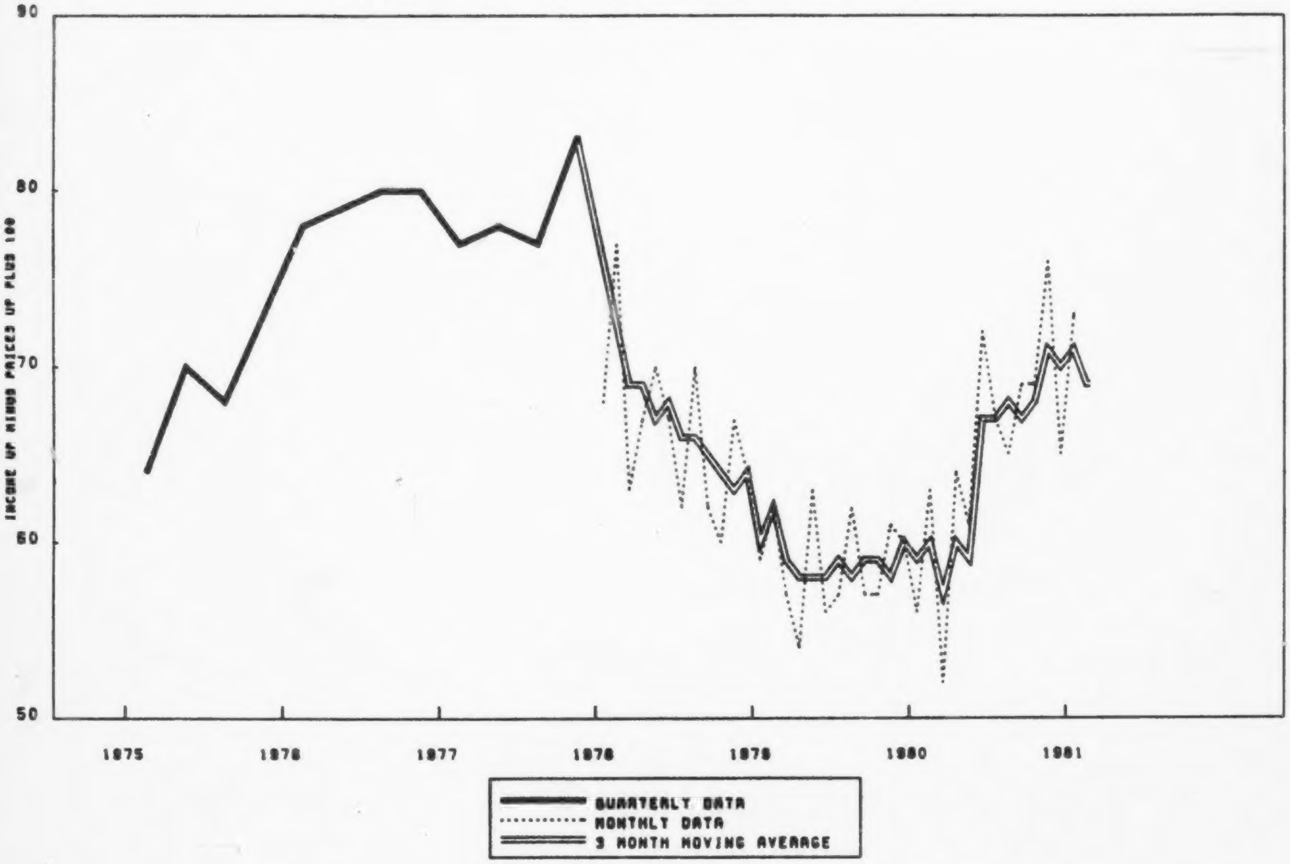

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
INCOME UP MORE	8%	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%
INCOME UP SAME	36	33	32	37	34	41	38	40	38	42	42	36	39
PRICES UP MORE	52	51	56	48	51	42	45	46	45	43	40	47	41
DK,NA	4	2	4	3	3	3	5	3	3	3	2	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

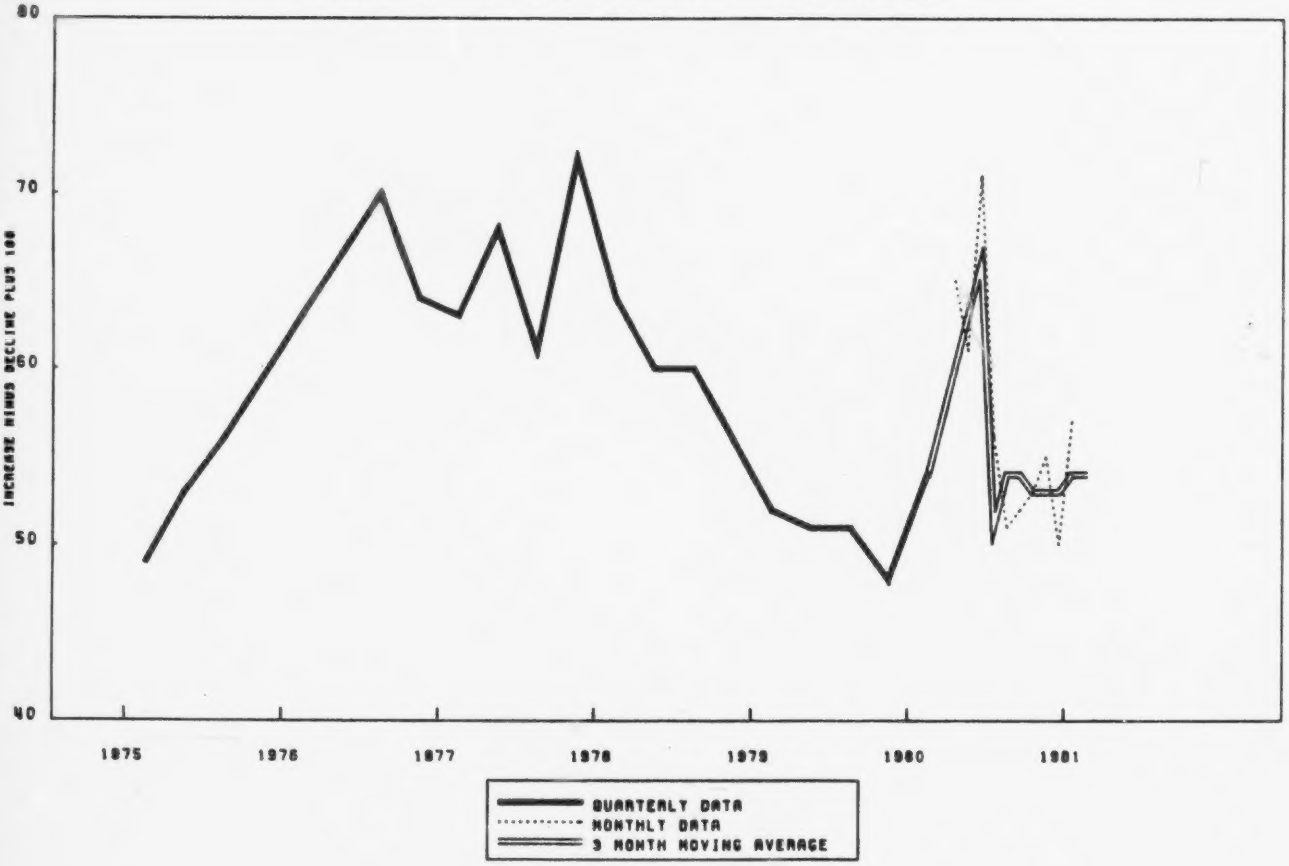

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	na	7%	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%
Intermittant increase (b)		8		8	9	8	9	11	9	6	9	7	8
Remain unchanged (c)		16		13	11	16	17	17	14	18	17	14	17
Intermittant decline (d)		19		24	22	26	23	22	23	25	27	24	22
Continuous decline (e)		42		41	44	35	35	37	39	34	33	38	35
Mixed change (f)		6		6	6	7	5	6	6	7	5	6	6
DK,NA		2		4	6	3	6	4	4	4	3	6	6
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

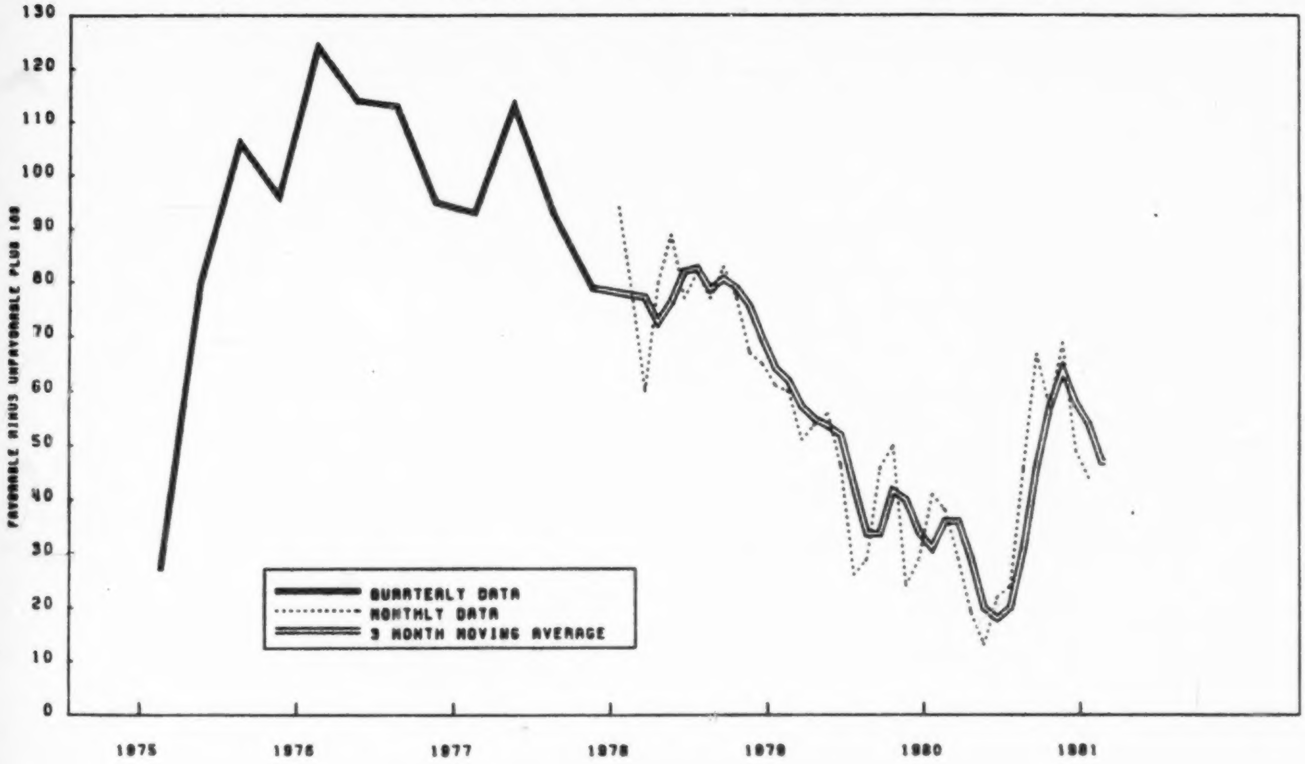

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

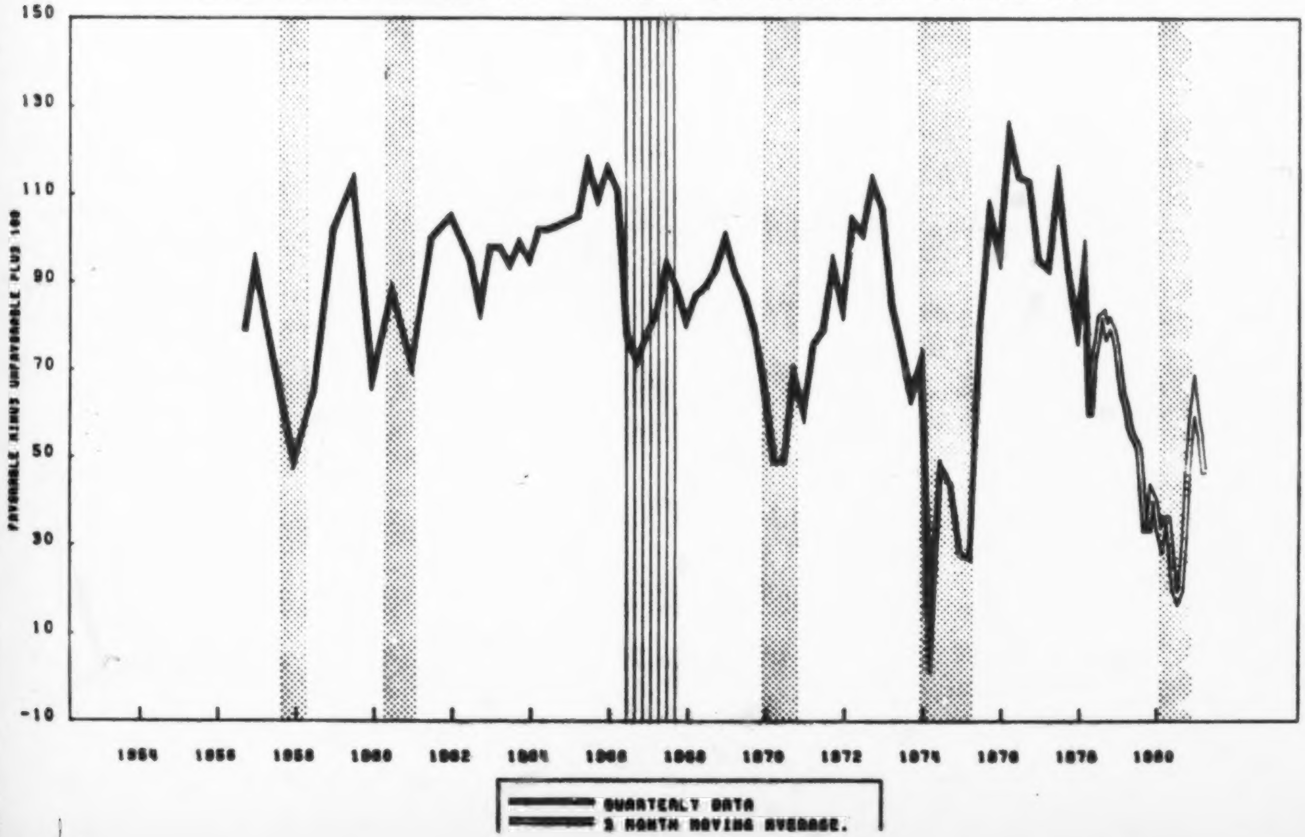

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE NEWS	17%	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%
UNFAVORABLE NEWS	76	76	82	91	97	93	95	78	63	72	58	68	75
NO MENTIONS	39	41	41	35	30	29	30	34	38	33	47	44	39

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE NEWS:													
Government; elections	*	1%	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%
Employment	6	5	3	3	1	3	4	7	7	10	7	5	4
Consumer demand high	1	1	1	1	*	1	1	1	3	3	2	1	2
Prices are low	1	1	*	1	1	1	1	*	1	2	1	*	*
Credit is easy	1	1	*	*	5	7	7	8	7	3	1	*	3
UNFAVORABLE NEWS:													
Government; elections	4	3	3	3	4	2	4	3	1	4	3	2	4
Unemployment	18	19	14	21	40	50	43	31	25	26	21	18	19
Consumer demand low	8	10	8	9	10	9	12	12	8	8	8	11	14
Prices are high	16	14	17	17	11	8	12	13	10	10	9	8	11
Credit is tight	7	9	22	24	16	9	5	5	8	12	9	19	14
Energy crisis	4	4	1	1	*	1	1	1	*	1	*	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

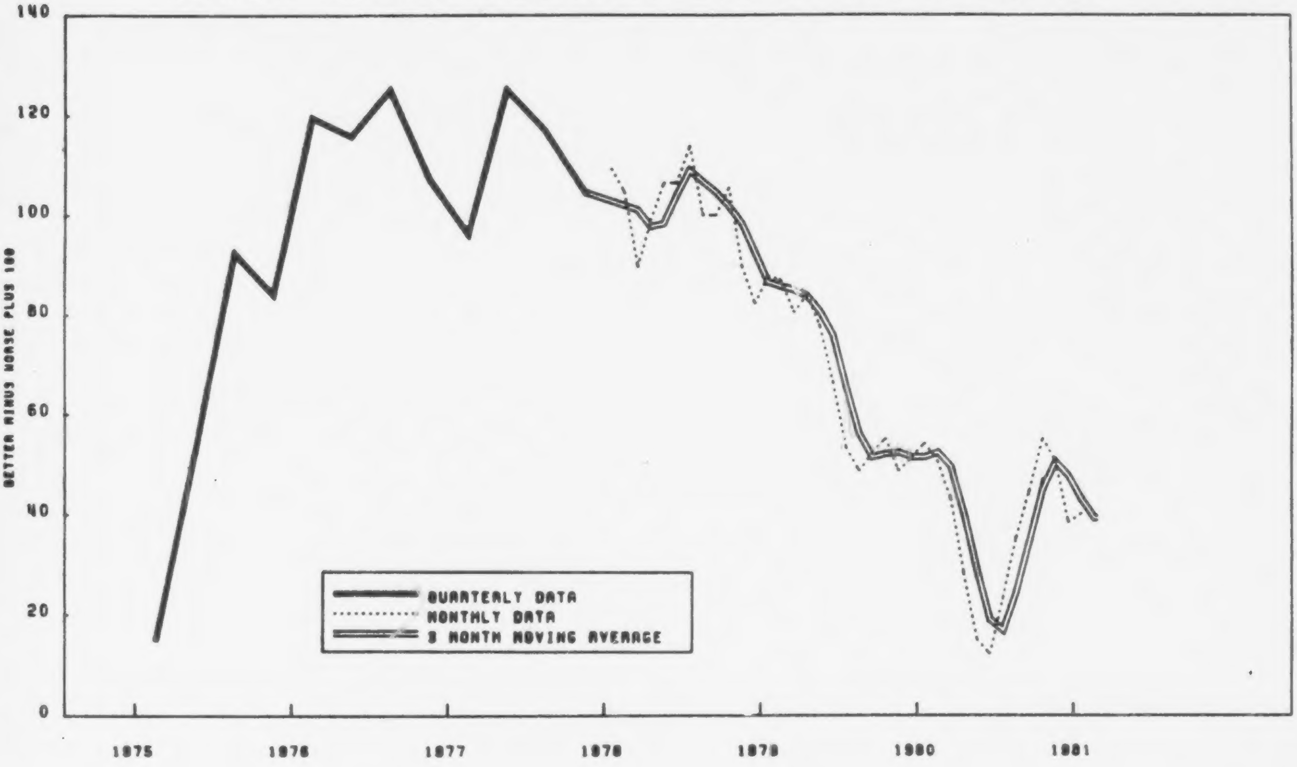

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

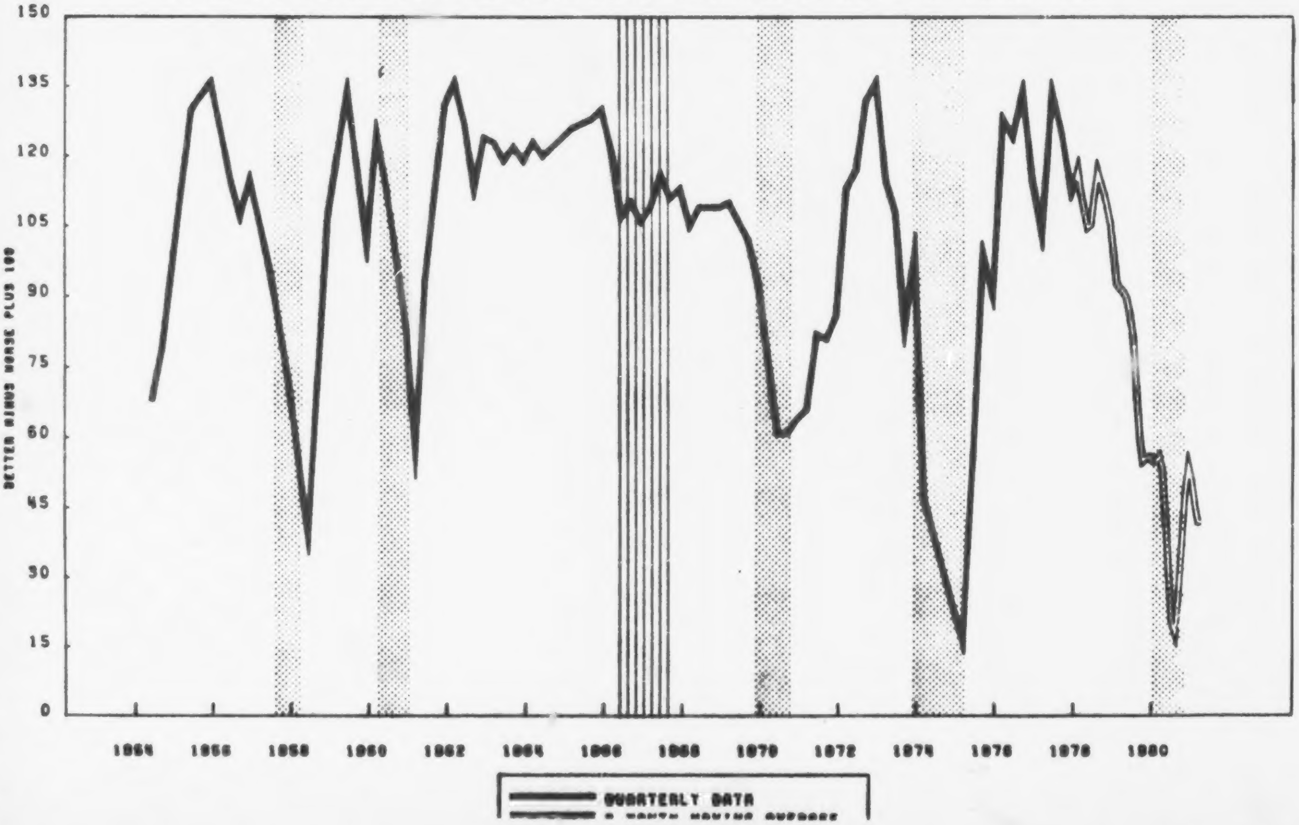

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER NOW	21%	21%	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%
SAME	14	10	12	10	4	5	4	7	10	10	10	12	13
WORSE NOW	62	67	69	79	90	90	85	77	70	64	67	72	71
DK,NA	3	2	4	1	*	1	1	1	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

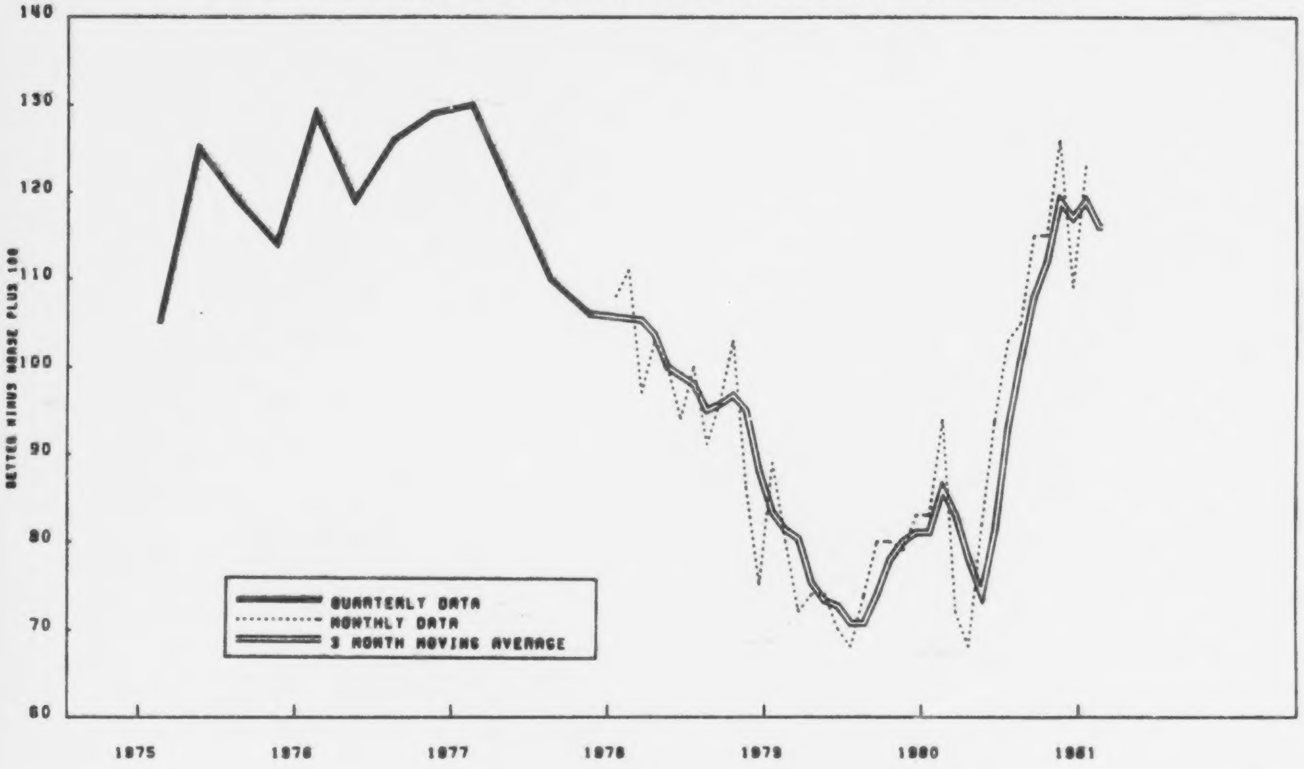

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

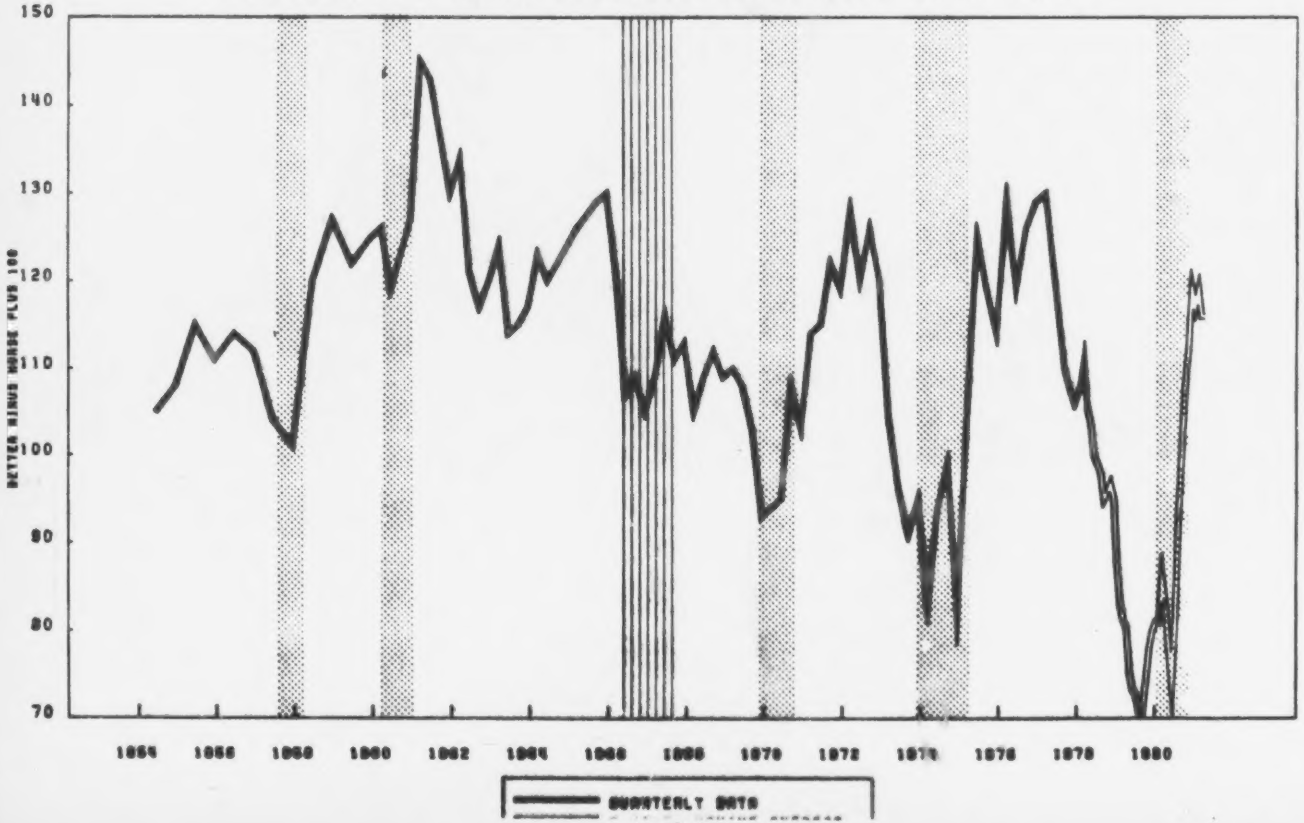

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER	17%	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%
SAME	45	49	42	37	37	38	43	44	47	44	42	46	42
WORSE	35	27	42	46	39	32	25	23	17	18	14	20	16
DK,NA	3	3	2	3	3	4	4	5	4	5	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE REASONS:													
Government; elections	na	11%	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%
Employment		4		2	2	3	4	4	5	5	5	3	4
Higher consumer demand		3		1	3	1	2	3	4	5	3	2	2
Lower prices		1		3	2	3	1	1	3	3	2	3	2
Easier credit		1		1	4	5	2	3	3	2	3	2	4
UNFAVORABLE REASONS:													
Government; elections		13		15	7	7	12	7	7	11	7	8	7
Unemployment		5		11	14	12	10	7	6	4	5	8	7
Lower consumer demand		7		6	5	5	6	7	3	2	2	6	5
Higher prices		16		25	14	10	9	14	10	10	8	10	8
Tighter credit		3		12	6	4	2	2	2	2	2	7	4
Energy crisis		6		3	2	1	1	1	1	1	1	*	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

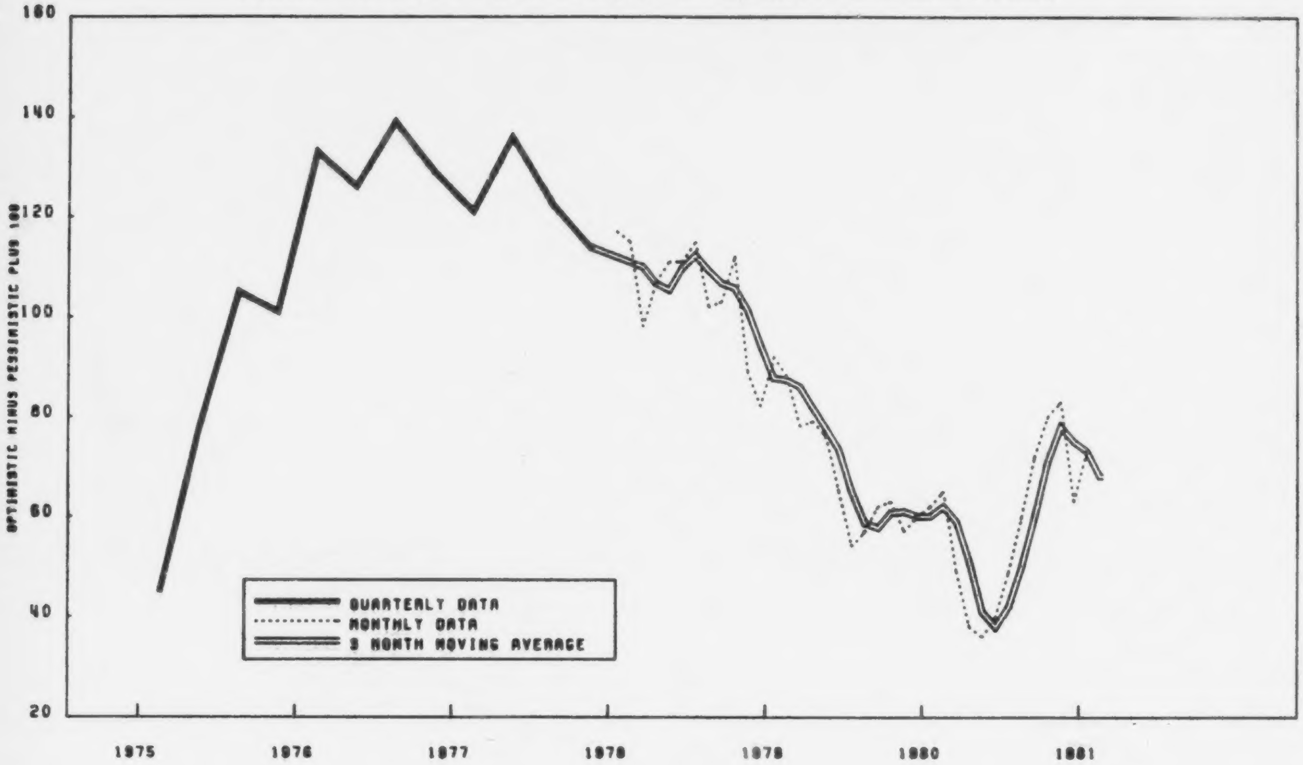

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

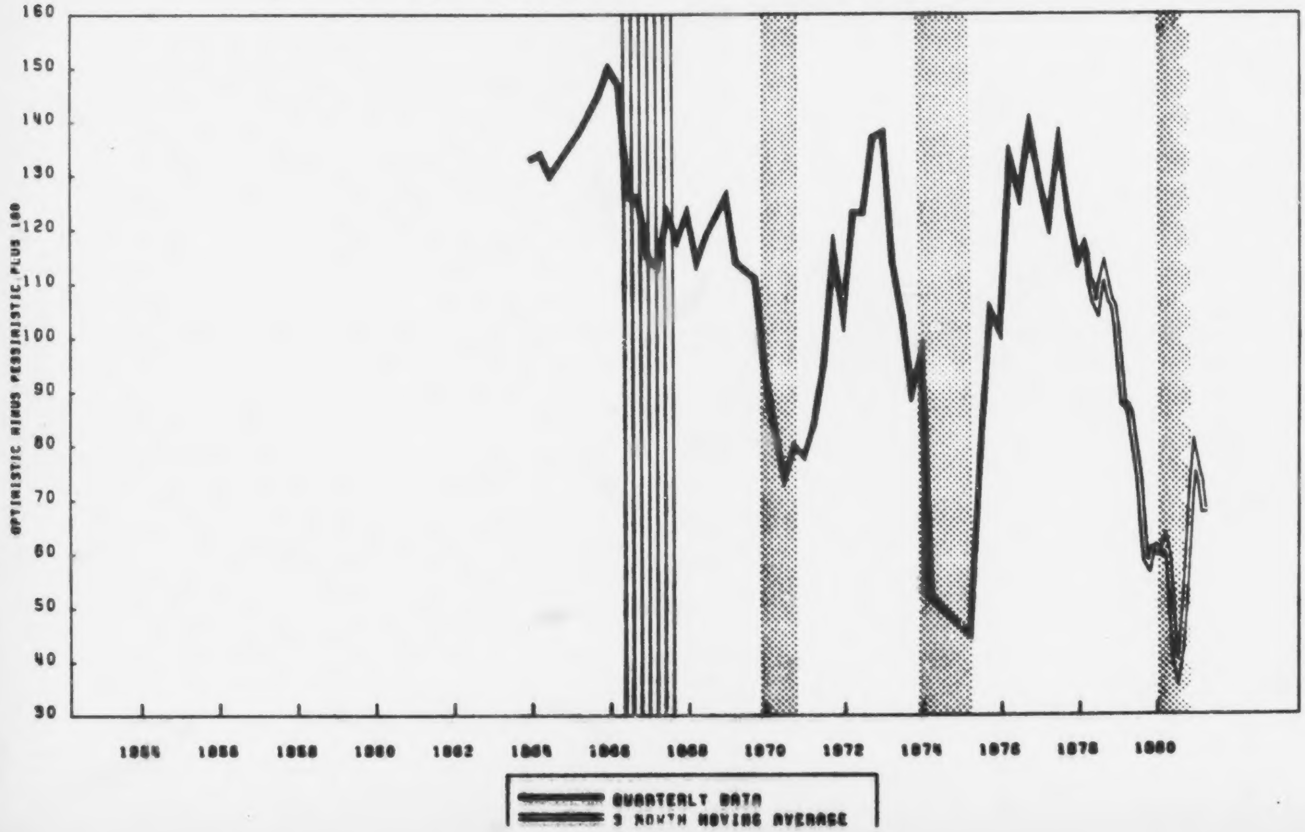

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
TREND:													
Continuous increase (a)	6%	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%
Intermittant increase (b)	10	12	9	6	5	4	7	9	10	13	14	10	11
Remain unchanged (c)	9	6	6	3	1	2	1	3	6	5	4	5	7
Intermittant decline (d)	30	33	31	32	34	35	37	35	33	28	29	36	30
Continuous decline (e)	24	22	32	41	36	30	23	19	14	14	13	16	14
Mixed change (f)	16	15	14	10	20	23	26	23	23	23	24	21	27
DK,NA	5	4	5	4	3	5	4	6	5	8	5	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

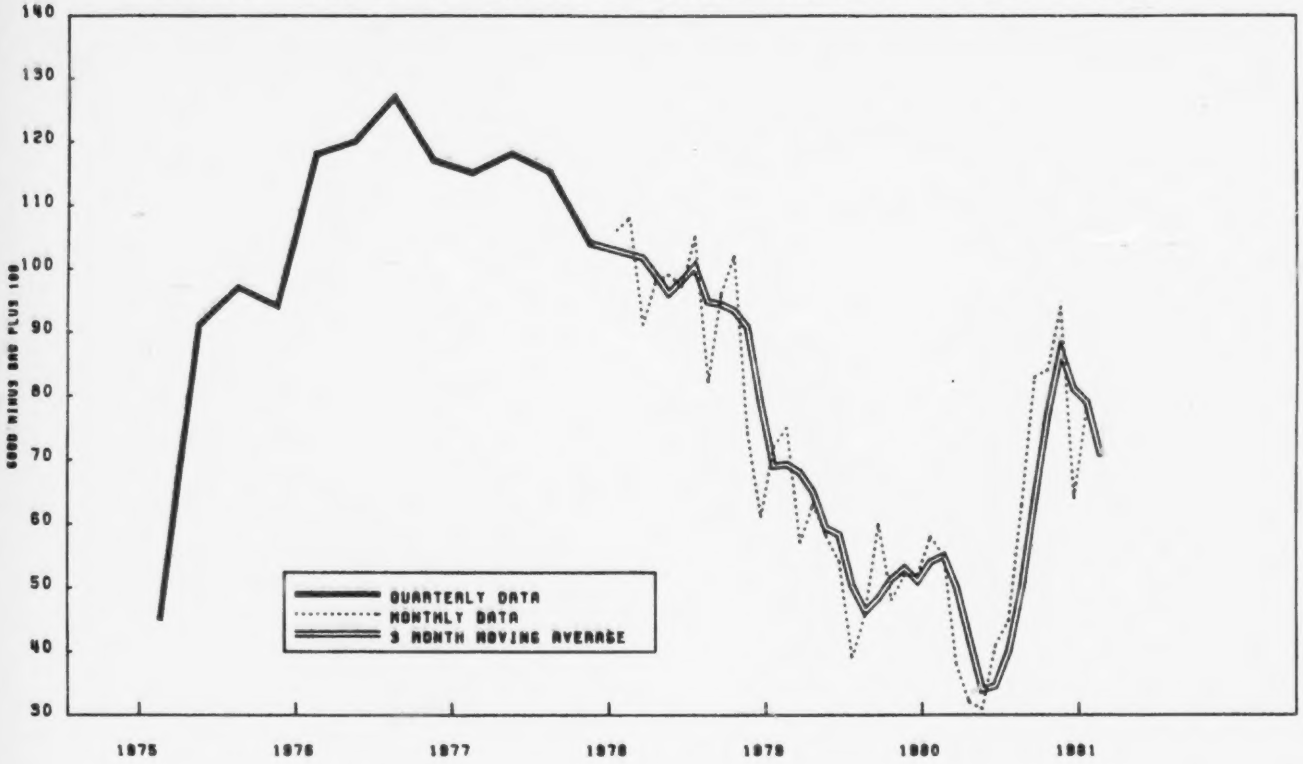

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

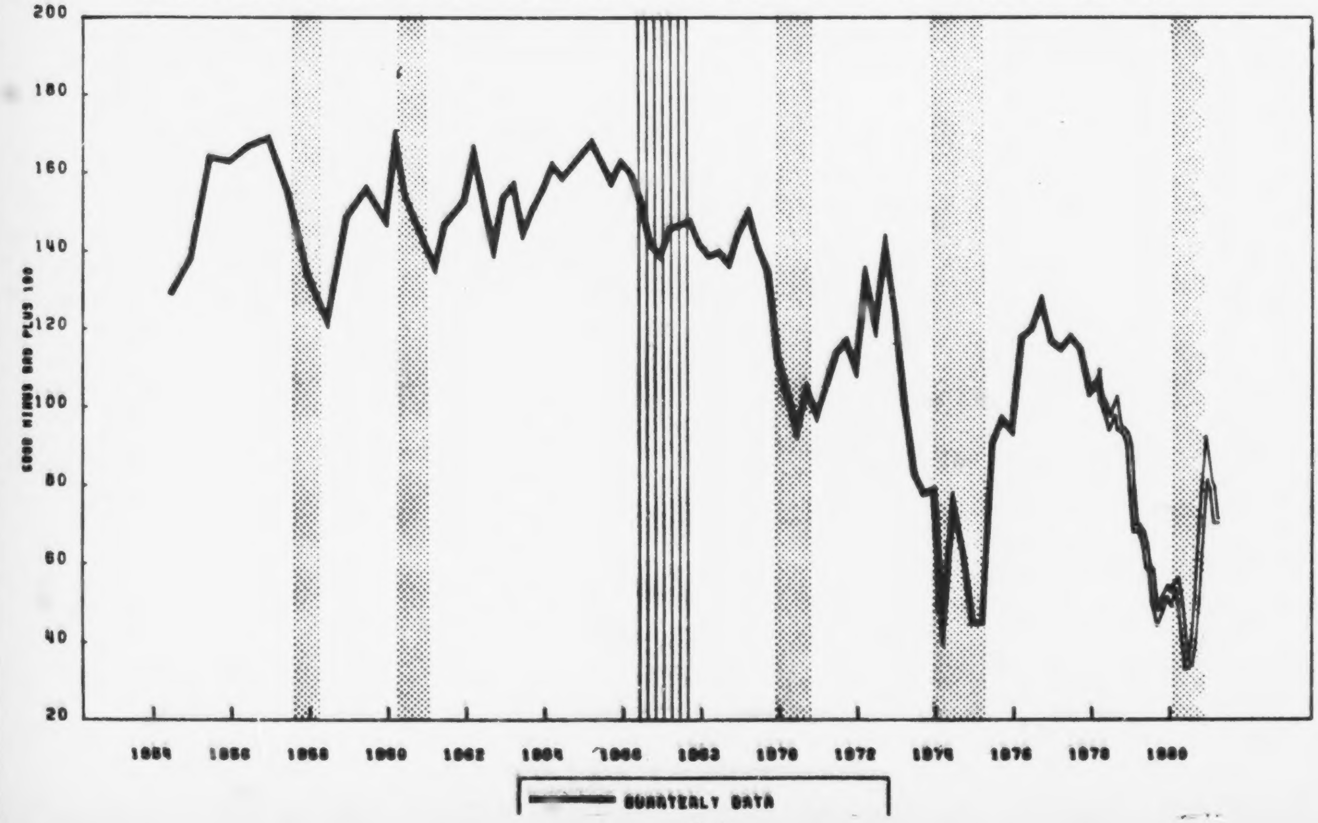

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIMES	24%	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	1	1	2	2	2	2	1	2
BAD TIMES	66	67	76	79	82	75	74	62	52	49	45	62	53
DON´T KNOW	4	5	4	4	3	4	4	7	7	8	8	7	10
NOT ASCERTAINED	5	5	5	5	1	2	2	4	4	8	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

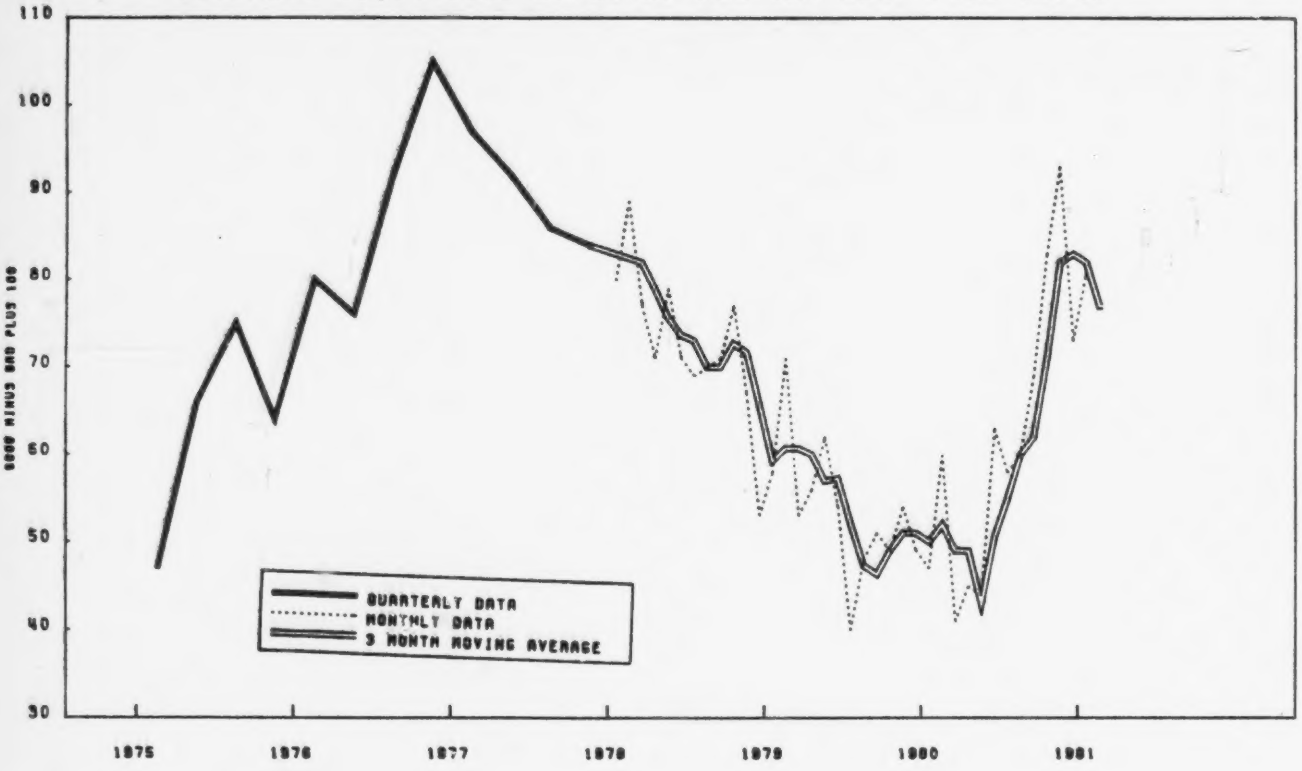

CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

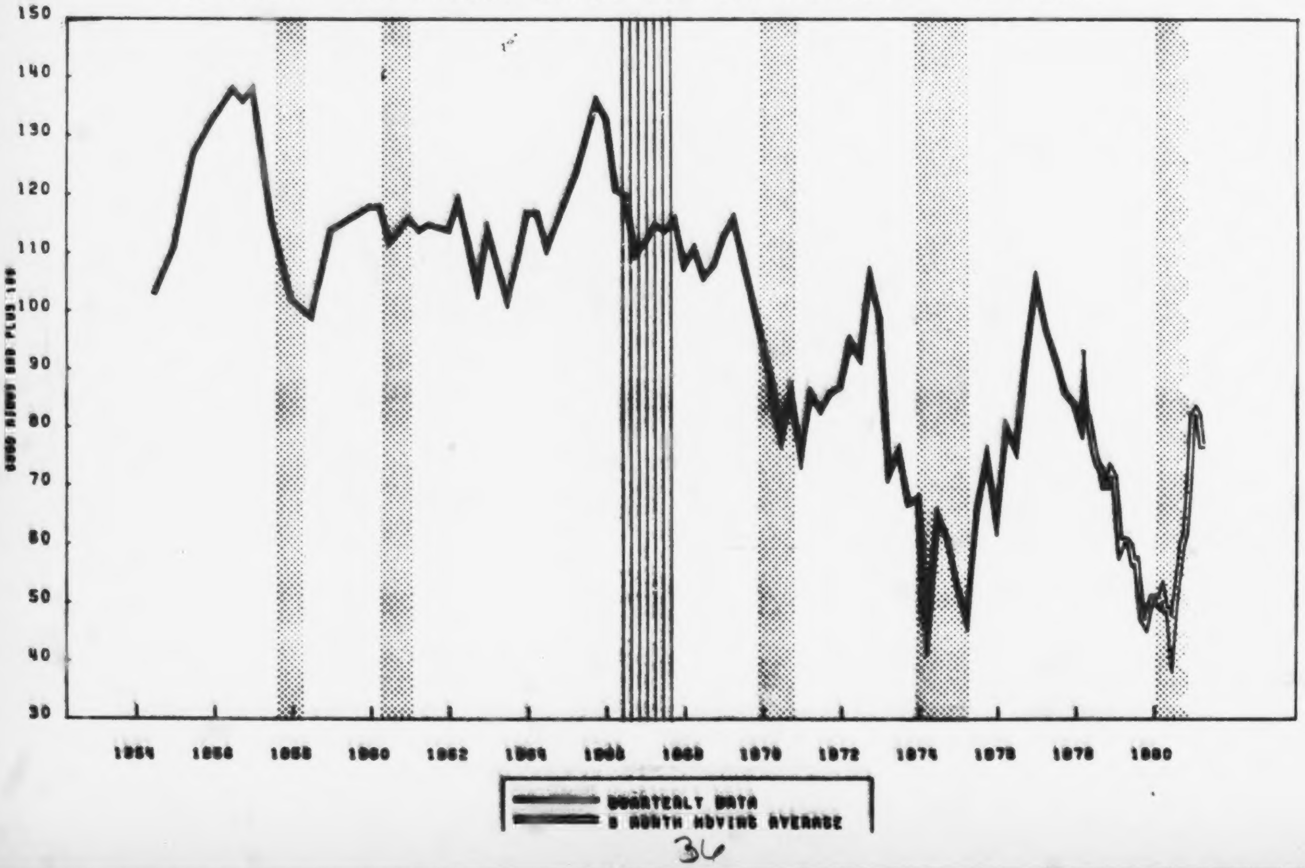

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIMES	17%	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%
UNCERTAIN; GOOD & BAD	9	14	10	12	10	12	13	16	14	19	15	16	15
BAD TIMES	70	61	72	69	71	59	61	59	56	44	43	52	49
NOT ASCERTAINED	4	4	5	5	4	7	7	6	5	10	6	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we´ll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

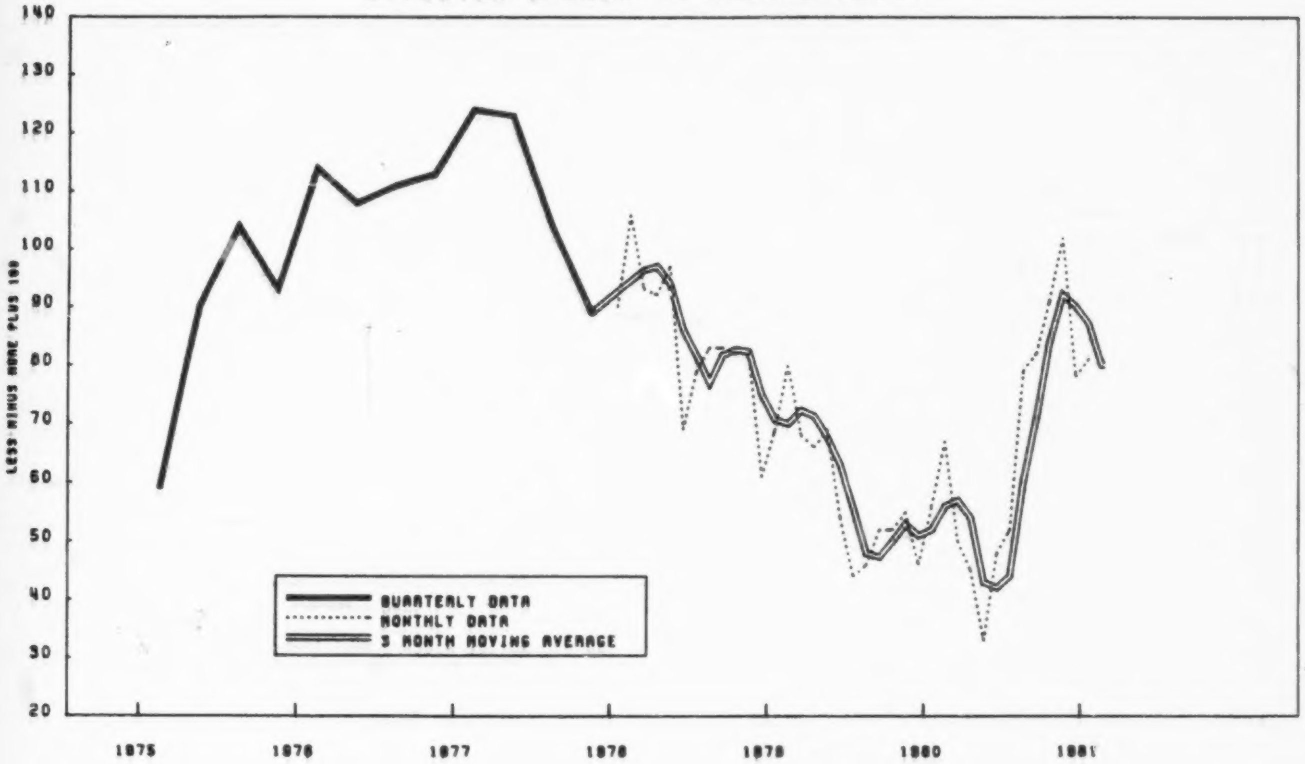

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

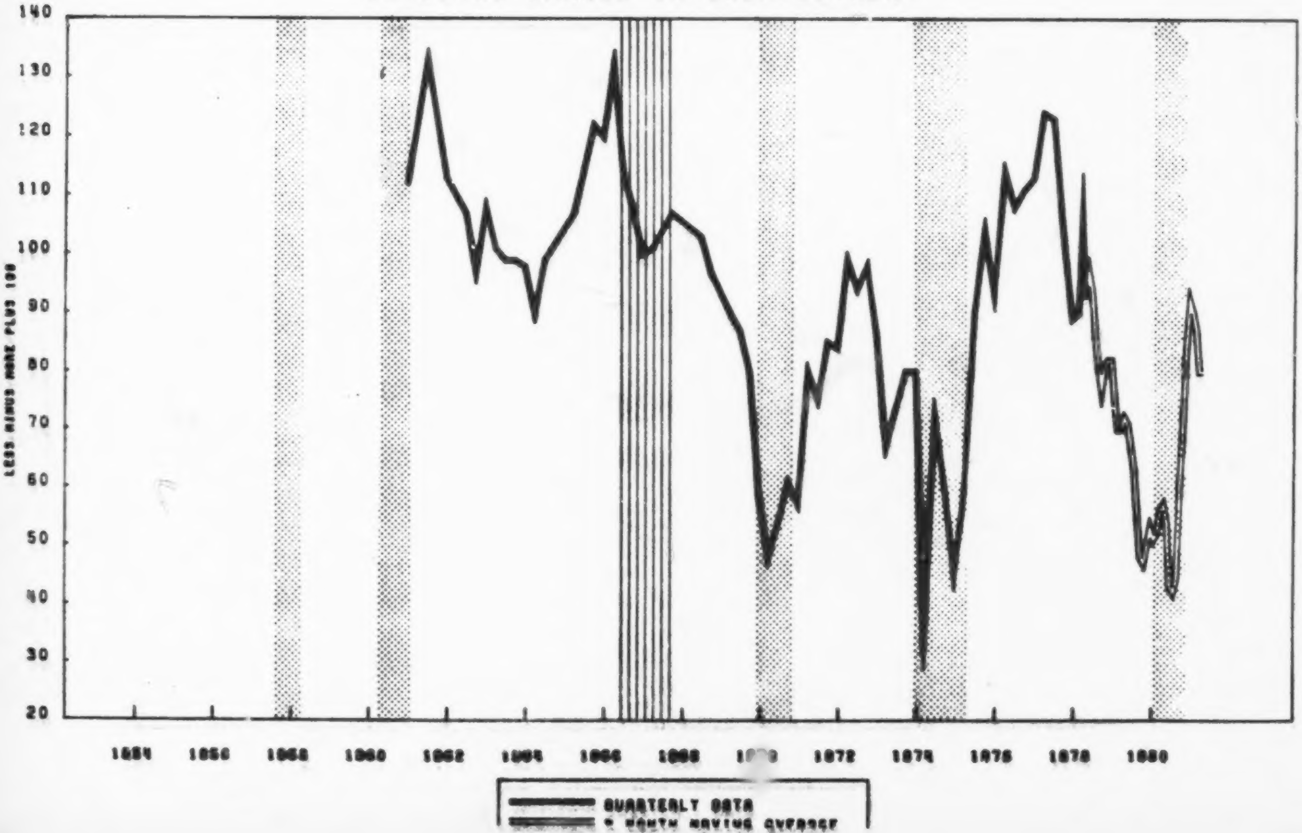

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
LESS	9%	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%
SAME	34	38	35	29	23	25	30	38	36	46	47	41	41
MORE	54	46	57	62	72	63	59	40	40	30	24	39	38
DK,NA	3	3	1	2	*	1	*	3	2	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

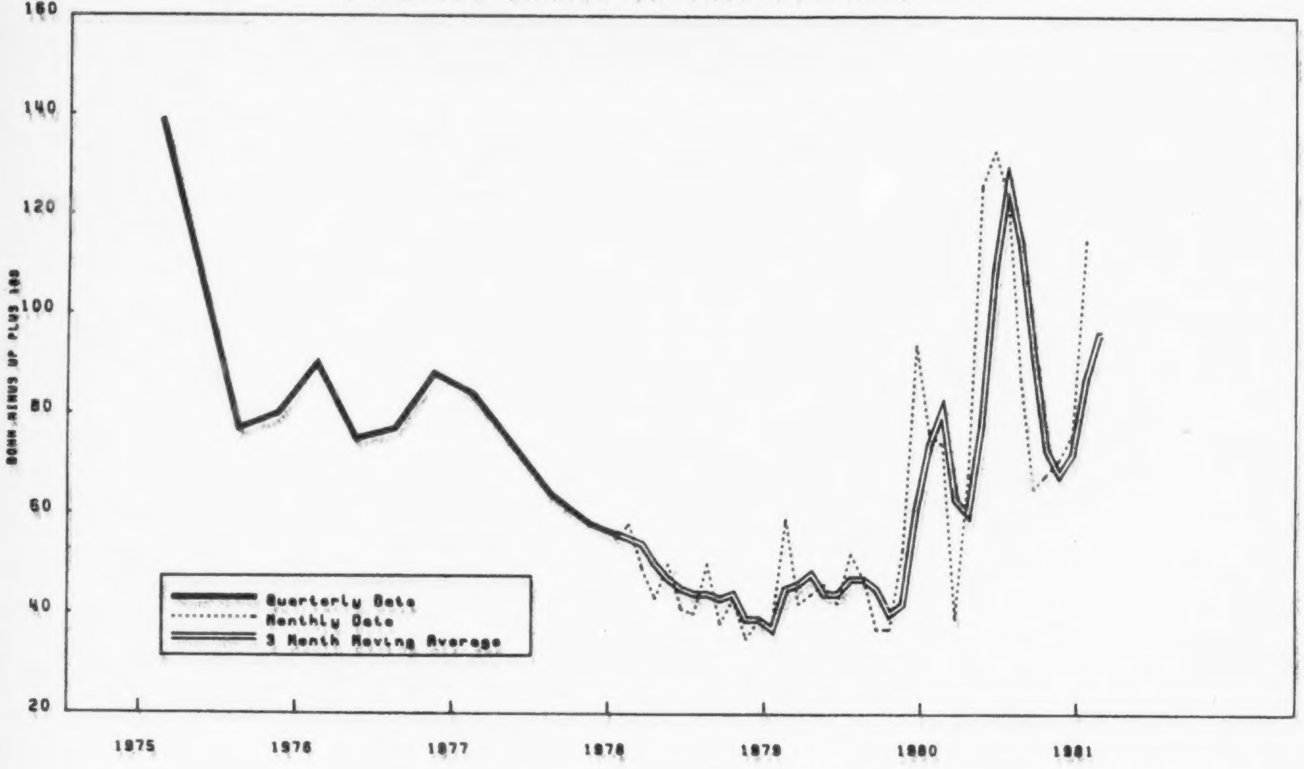

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

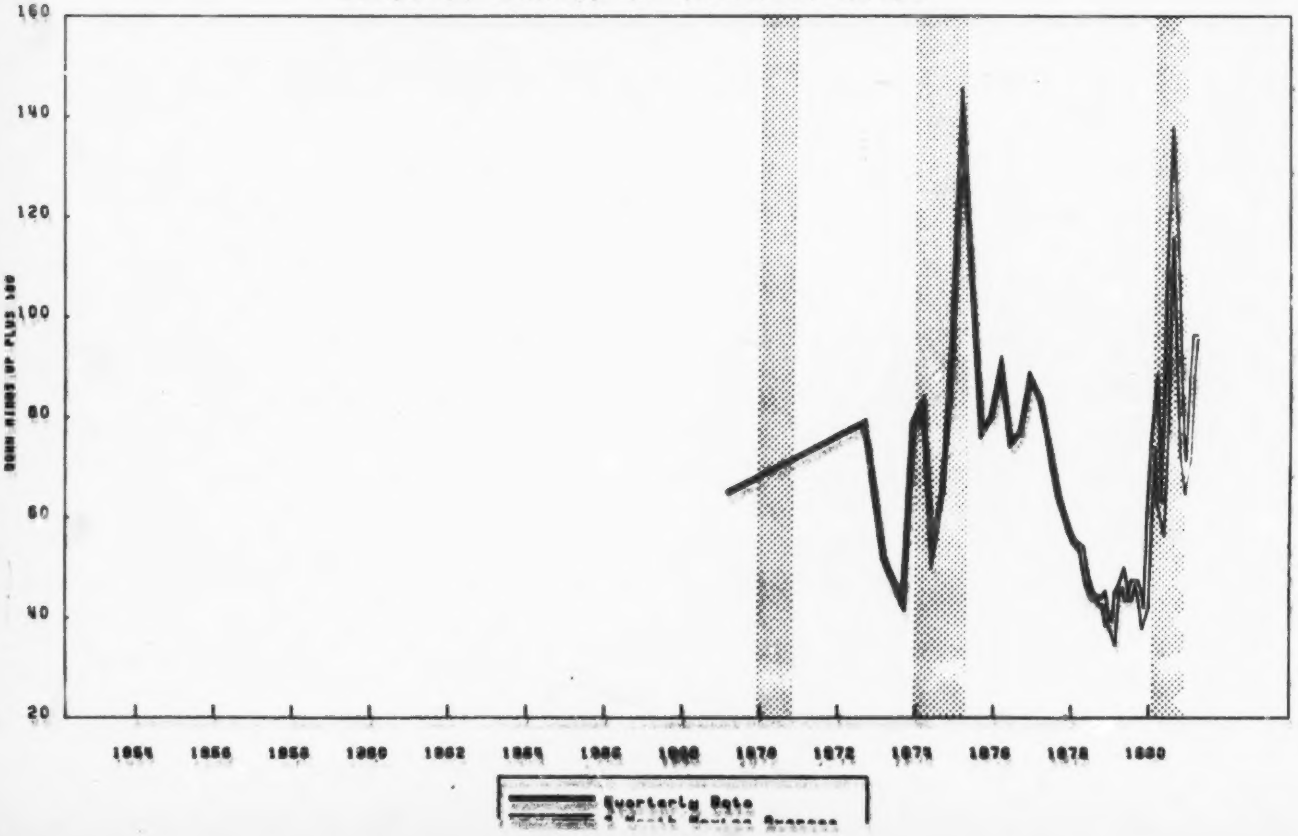

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GO UP	45%	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%
STAY THE SAME	30	29	16	18	20	22	31	30	25	26	22	14	20
GO DOWN	21	21	10	24	52	54	44	26	18	17	22	29	44
DK,NA	4	3	3	2	2	3	4	5	4	8	5	4	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22
CHANGE IN PRICES DURING THE LAST 12 MONTHS

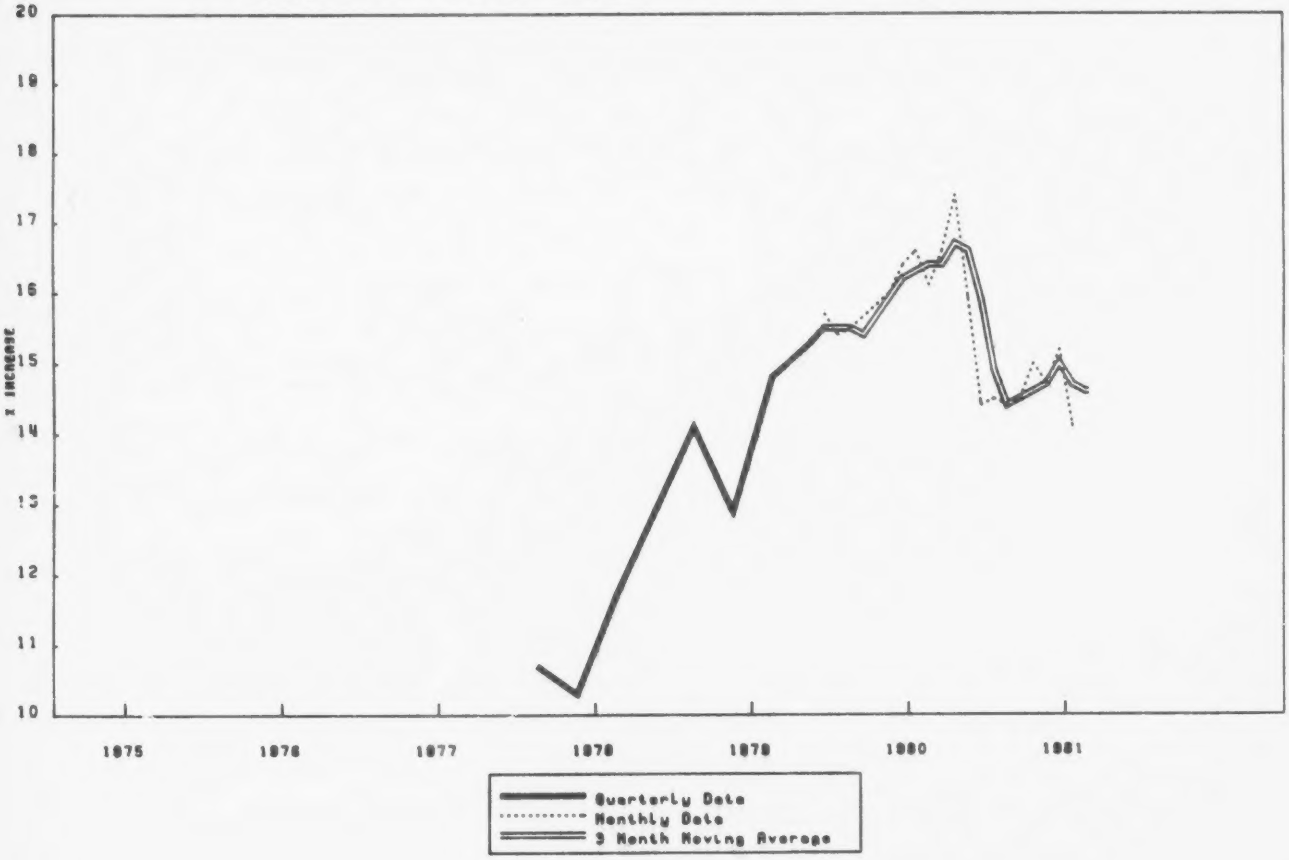

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
SAME OR DOWN	1%	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%
GONE UP BY:													
1-2%	1	1	2	2	1	1	3	2	2	3	2	2	2
3-4%	4	3	5	3	4	3	5	6	5	4	4	3	4
5%	6	6	6	5	5	6	7	8	7	11	7	9	7
6-9%	6	9	8	9	6	10	11	12	9	11	12	9	8
10-14%	32	28	25	24	27	25	22	20	24	23	27	26	31
15% or more	35	38	41	43	37	33	29	32	31	32	29	32	28
DK how much up	15	12	11	12	15	15	18	15	17	14	16	16	17
DK,NA	*	*	*	*	*	1	1	1	1	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1
VARIANCE	176	149	167	179	175	140	168	160	151	169	161	158	130
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

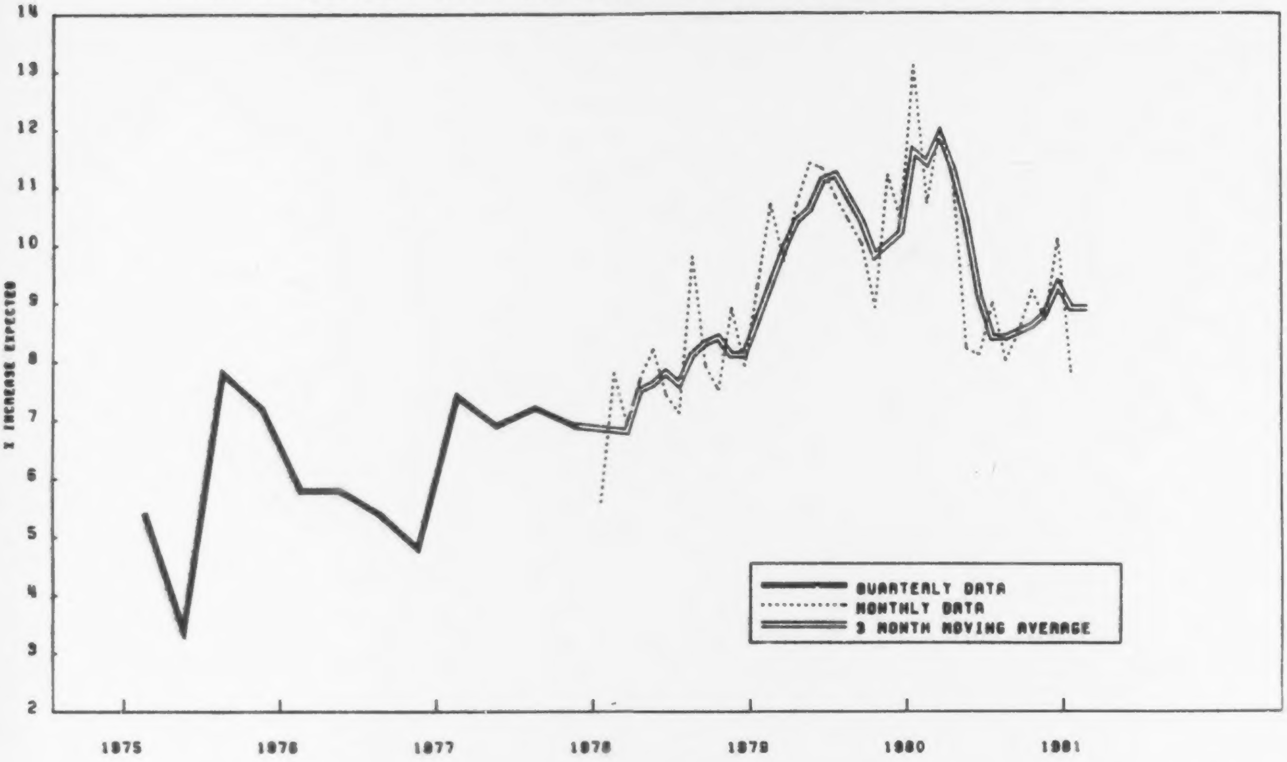

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

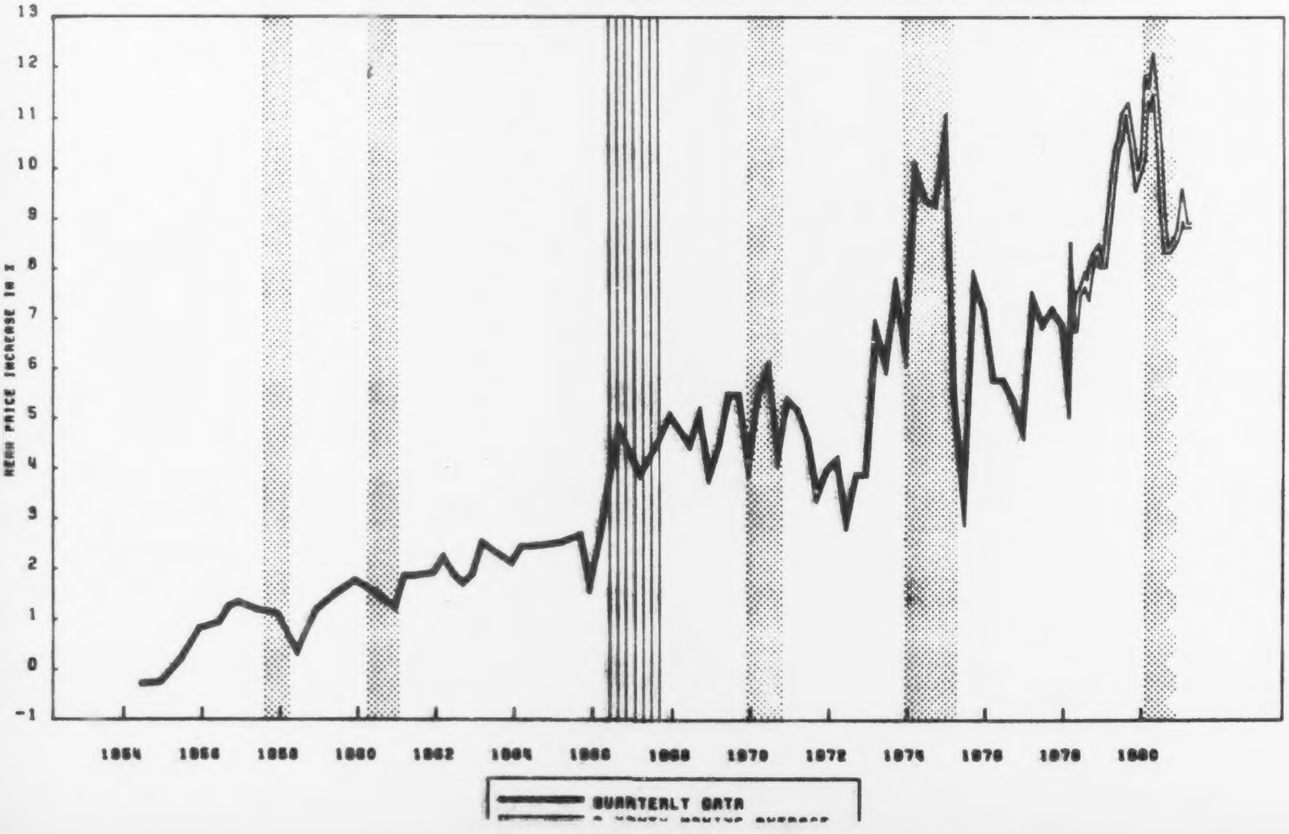

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
SAME OR DOWN	9%	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%
WILL GO UP BY:													
1-2%	2	4	3	2	1	3	3	6	5	3	3	3	3
3-4%	4	4	4	3	4	6	5	7	5	6	5	5	6
5%	7	11	8	7	9	7	8	11	11	10	8	9	7
6-9%	12	12	9	8	9	10	10	12	10	10	12	11	12
10-14%	28	31	26	24	17	20	21	24	23	24	20	25	28
15% or more	25	19	27	25	18	14	15	10	13	16	14	18	9
DK how much up	11	10	7	9	10	10	13	11	13	9	11	10	11
DK,NA	2	1	3	2	1	3	3	1	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8
VARIANCE	139	84	122	125	92	89	95	71	68	100	102	107	54
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

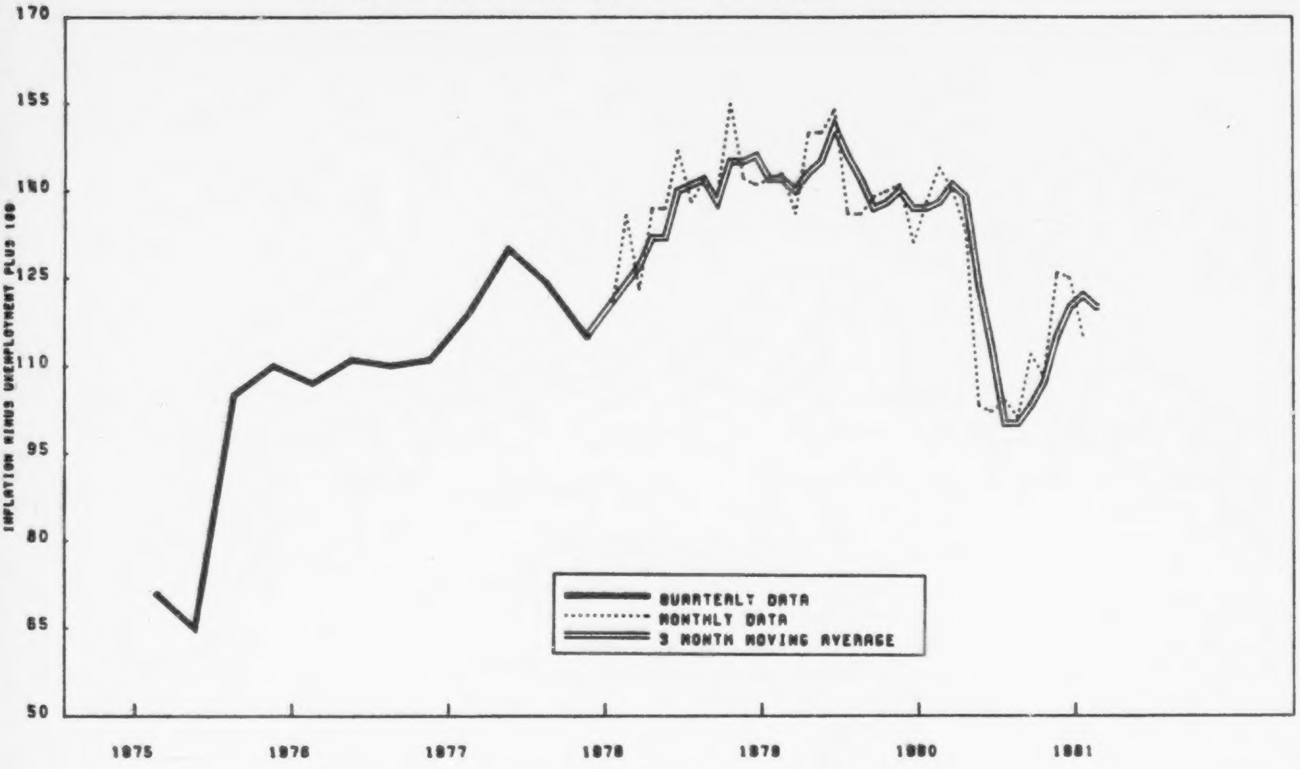

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

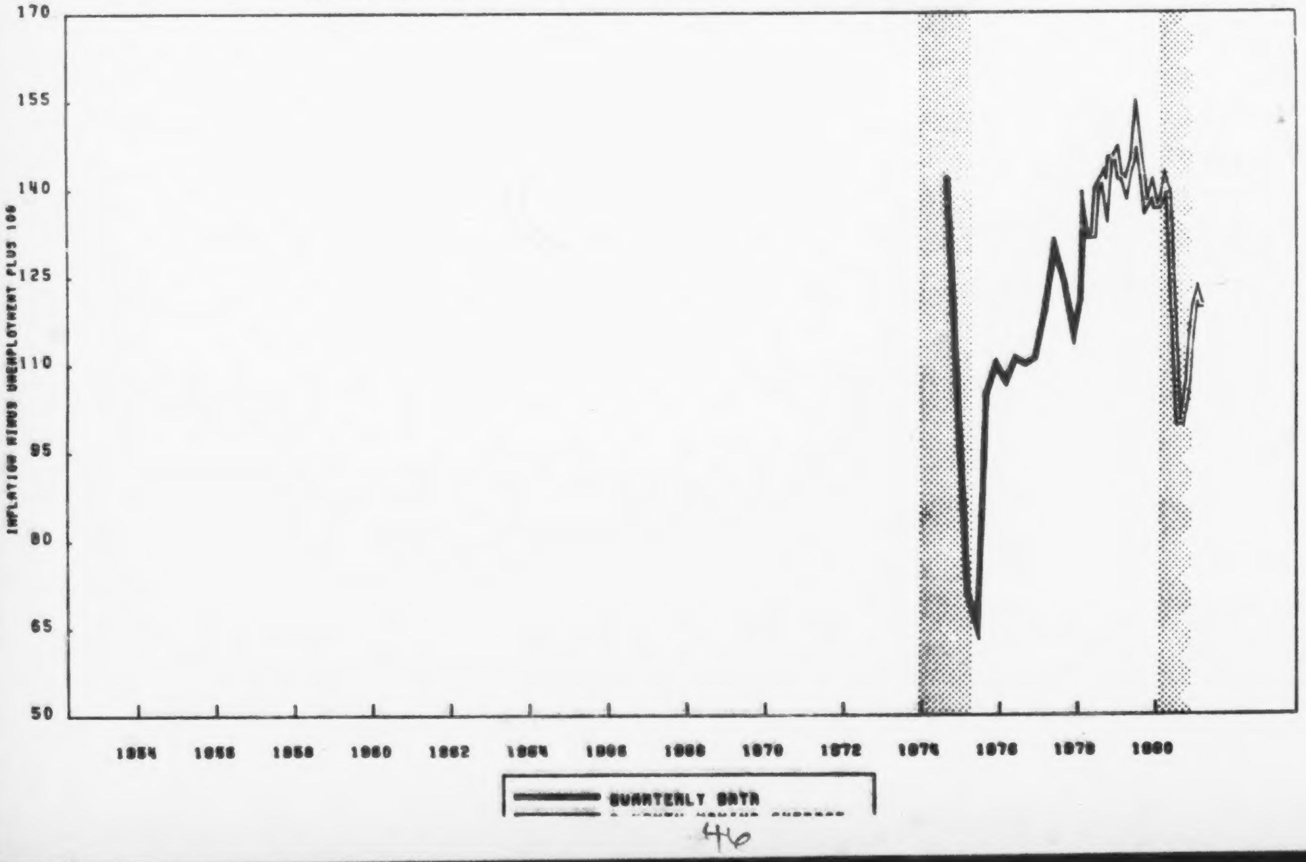

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
UNEMPLOYMENT	26%	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%
BOTH EQUALLY SERIOUS	7	7	8	14	16	11	11	10	9	11	11	9	14
INFLATION	64	68	65	59	43	45	41	44	50	48	57	57	49
DK,NA	3	1	2	1	1	1	3	3	3	1	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

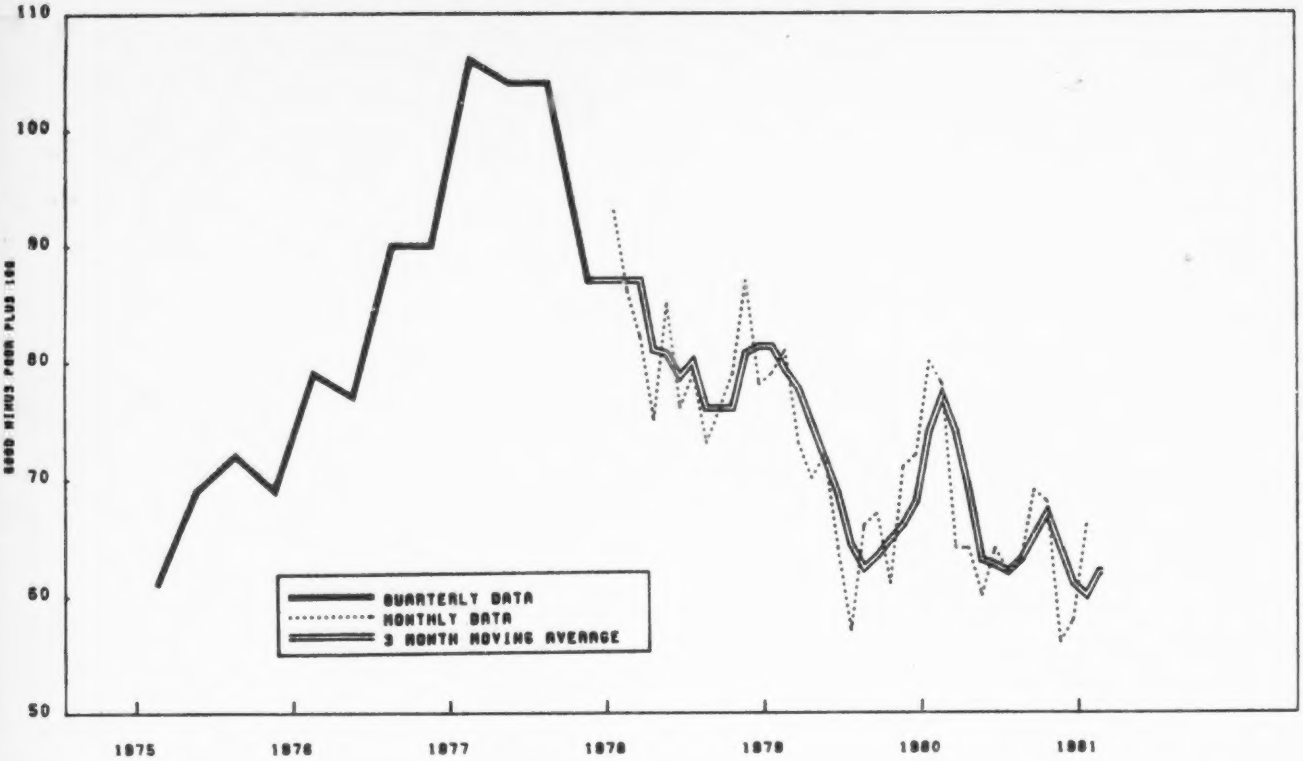

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

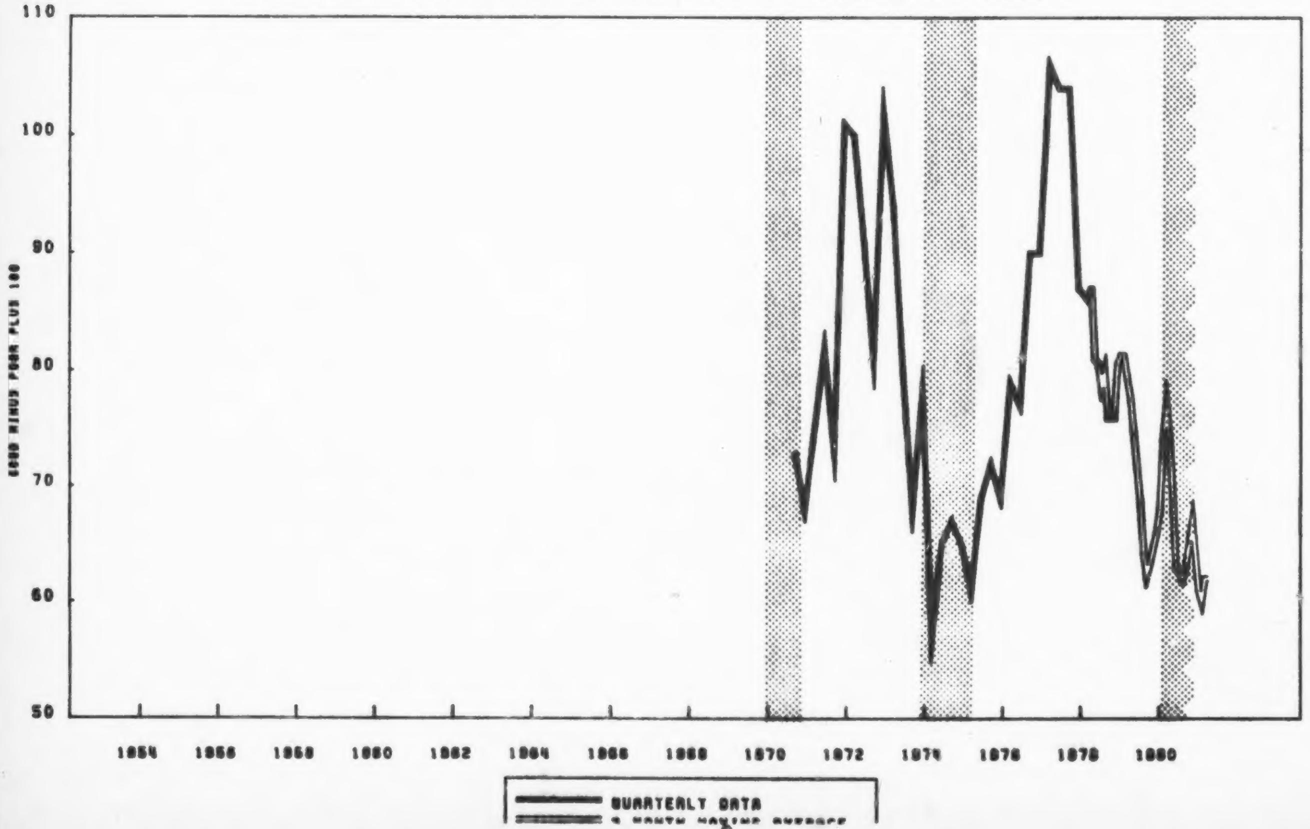

TABLE 25

OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
A GOOD JOB	11%	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%
ONLY FAIR	54	51	46	48	48	40	41	45	46	50	41	42	42
A POOR JOB	31	34	43	42	45	46	47	45	41	40	50	49	44
DK,NA	4	3	4	4	2	4	3	2	3	2	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

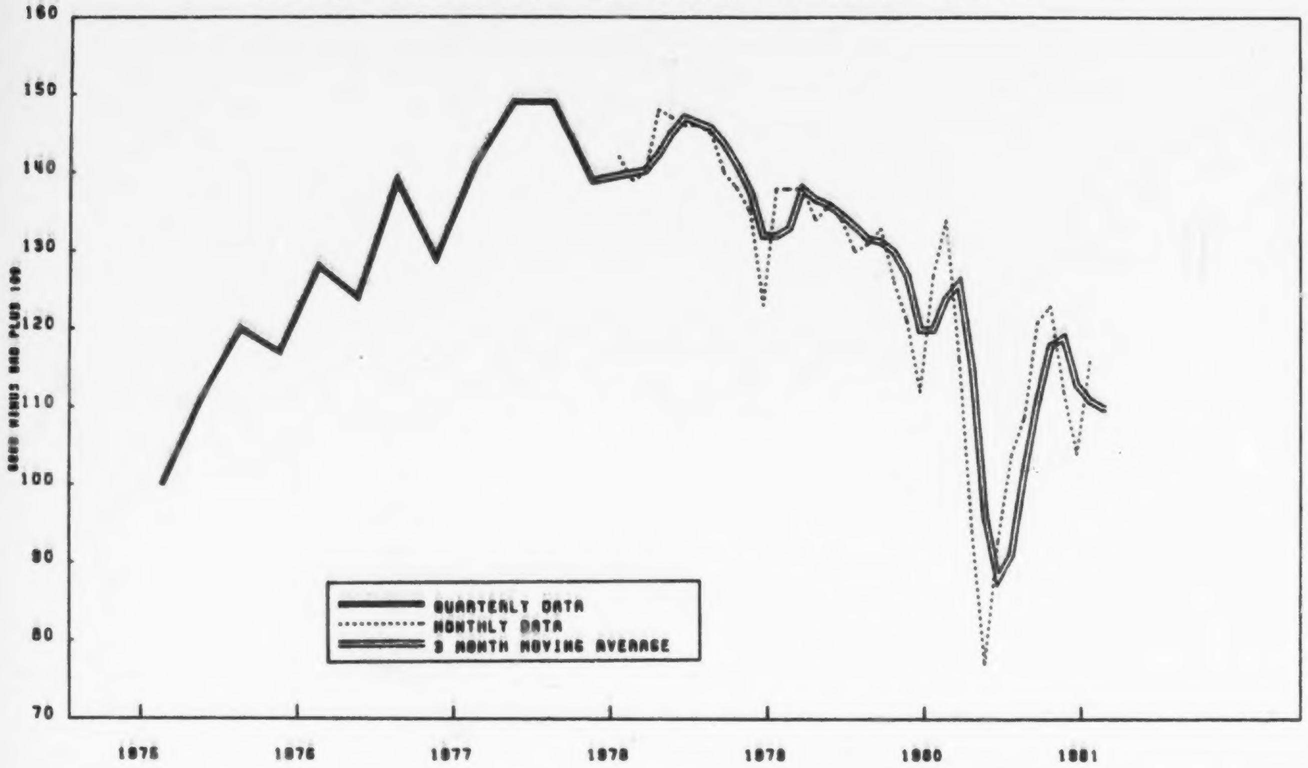

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

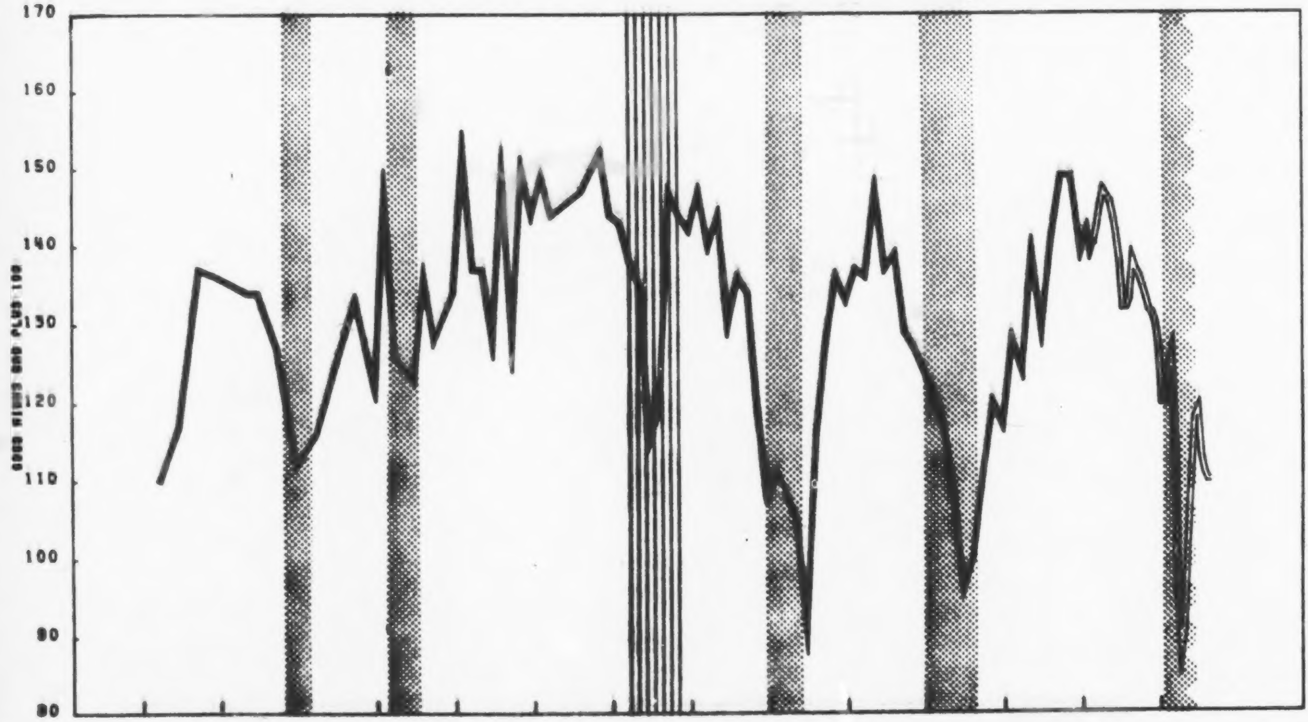

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	60%	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%
UNCERTAIN, DEPENDS	7	14	8	12	7	11	16	15	17	13	12	14	16
BAD TIME TO BUY	33	26	38	47	58	48	40	38	31	32	38	41	34
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%
Prices won't come down; are going higher	47	33	43	28	23	26	22	27	31	30	31	24	28
Interest rates low; credit is easy	3	3	5	3	2	3	5	5	3	4	2	3	2
BAD TIME TO BUY:													
Prices are high	20	16	23	30	34	29	23	23	20	16	23	26	17
Interest rates are high; credit is tight	12	11	19	28	31	24	19	16	13	17	17	22	25
Lack of purchasing power	19	8	12	14	16	15	20	14	12	11	11	11	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	36%	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%
UNCERTAIN, DEPENDS	4	5	6	7	8	5	8	6	5	5	5	6	5
BAD TIME TO BUY	60	59	62	74	74	66	58	50	57	59	67	75	77
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	na	4%	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%
Prices won't come down; are going higher		20		8	8	11	12	14	17	17	16	10	12
Interest rates low; credit is easy		9		3	6	16	23	28	22	16	10	6	4
Good investment		12		9	7	5	6	10	9	8	7	6	7
BAD TIME TO BUY:													
Prices are high		30		31	30	27	30	26	29	27	28	28	32
Interest rates are high; credit is tight		56		76	75	66	53	41	50	56	56	77	76
Lack of purchasing power		8		8	9	10	15	12	11	12	11	12	10

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

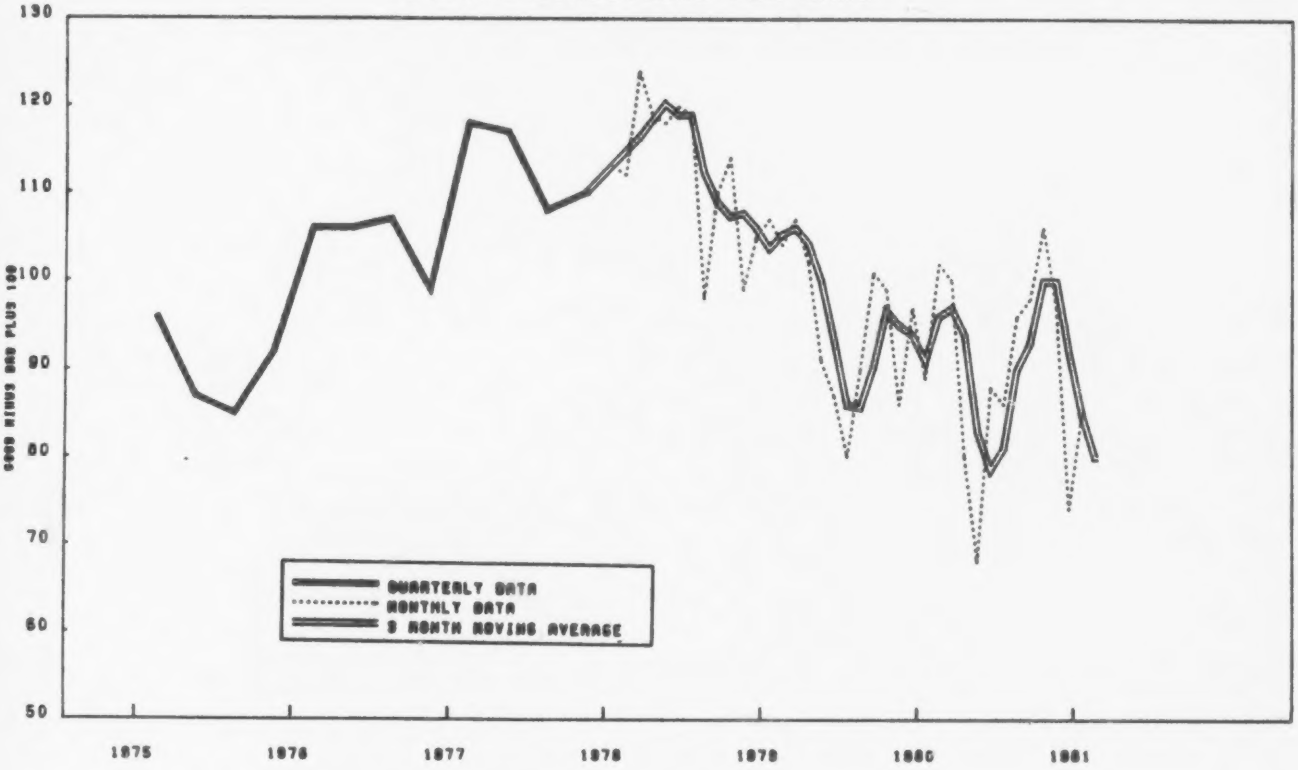

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

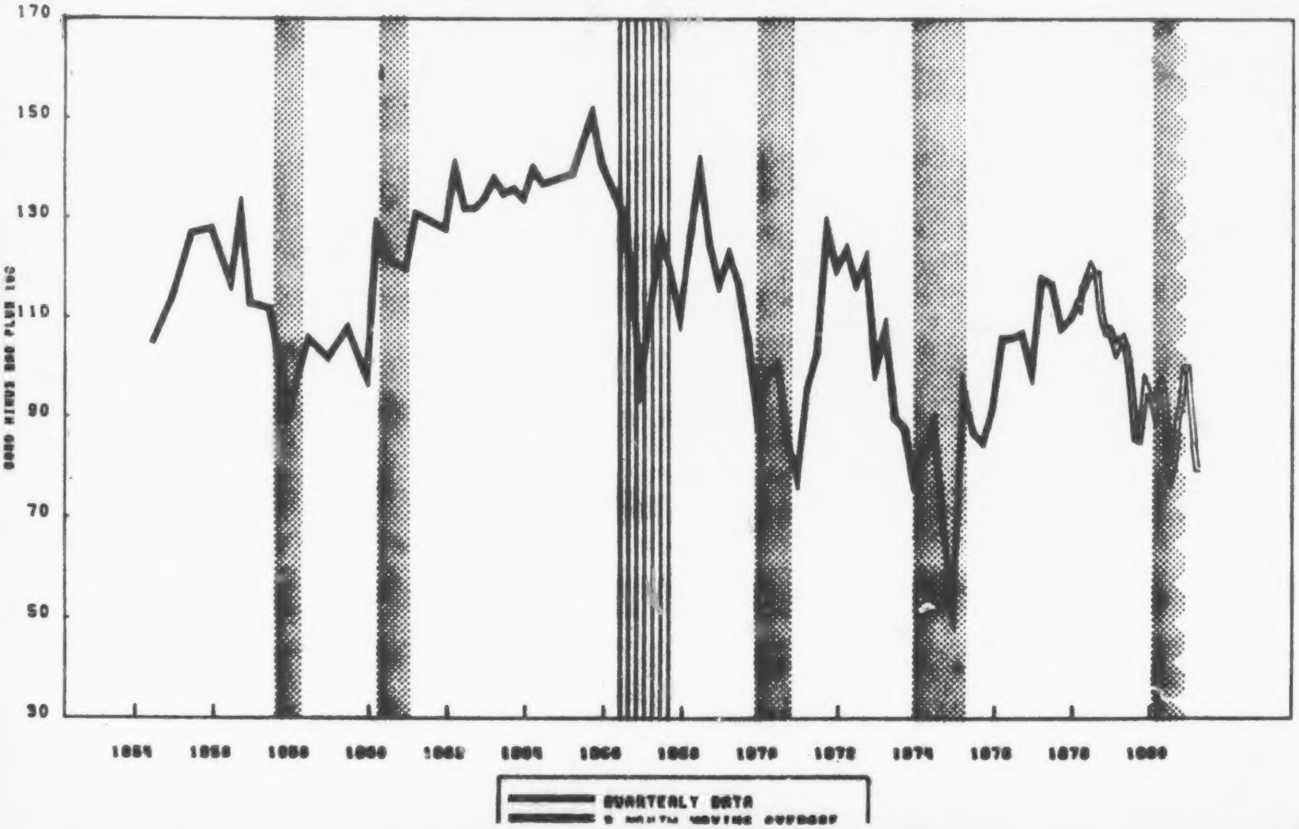

TABLE 30

BUYING CONDITIONS FOR CARS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	40%	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%
UNCERTAIN; DEPENDS	10	8	10	10	10	14	14	12	14	16	15	8	13
BAD TIME TO BUY	50	45	45	55	61	49	50	46	44	39	44	59	51
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%
Prices won't come down; are going higher	22	19	22	10	8	9	13	12	19	17	16	12	13
Interest rates low; credit is easy	2	3	3	4	1	3	4	4	4	3	3	4	5
New fuel efficient models	8	14	13	12	6	5	3	7	9	12	7	5	4
BAD TIME TO BUY:													
Prices are high	31	22	25	32	30	24	27	27	31	23	28	31	33
Interest rates are high; credit is tight	13	14	17	24	29	22	11	11	10	14	17	29	28
Lack of purchasing power	9	4	6	6	7	6	9	9	6	8	7	9	7
Price of gas; shortages	19	13	16	16	15	9	6	5	5	4	4	5	4
Poor selection; quality	10	10	9	8	7	10	13	13	11	13	10	12	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROBABLY WILL BUY	na	20%	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%
CHANCES ARE EVEN		8		7	7	8	5	7	6	7	6	6	8
PROBABLY WILL NOT BUY		62		69	67	68	67	61	70	67	66	67	66
DK,NA		10		8	13	12	11	16	8	11	11	13	11
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	653	682	685	694	684	698

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	28%	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%
PURCHASE TYPE:													
Buy new		14		11	7	9	10	8	11	12	11	8	11
Buy used		12		9	9	7	11	12	9	7	9	9	8
Lease		1		2	1	1	1	1	1	2	*	1	1
DK,NA		1		1	3	3	*	2	1	1	3	2	3
PURCHASE TIMING:													
Next 3 months		2		4	2	1	5	3	1	3	4	2	3
Next 4-6 months		7		6	6	6	5	5	6	4	3	3	5
Next 7-9 months		7		6	5	5	3	4	2	7	6	5	6
10 months or more		6		2	3	5	4	4	4	4	4	5	4
DK,NA		6		5	4	3	5	7	9	4	6	5	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	62%	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%
PURCHASE TYPE:													
Would buy new		36		40	39	38	40	35	38	44	38	37	35
Would buy used		24		26	25	27	24	24	30	20	26	27	29
DK,NA		2		3	3	3	3	2	2	3	2	3	2
PURCHASE TIMING:													
Less than 2 years		7		8	7	6	4	6	5	5	6	7	6
2 years		21		14	17	21	20	18	23	20	23	20	17
3 years		7		12	10	11	10	8	12	15	11	12	12
4 years or more		17		20	19	20	21	21	18	15	15	18	19
Indefinite		3		6	4	3	4	4	4	3	5	3	5
DK,NA		7		9	10	7	8	4	8	9	6	7	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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2/27/81

February 11, 1981

JANUARY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SMALL IMPROVEMENT IN CONSUMER SENTIMENT

** In the January 1981 Survey, the Index of Consumer Sentiment was 71.4, up 6.9 Index points from the December 1980 reading, but 5.3 Index points below the November 1980 reading. Some seasonal factors may have contributed to both the 12 point decline recorded in December and the 7 point improvement recorded in January. The recent improvement was based on more favorable evaluations of business conditions, accompanied by decreases in interest rates and price expectations.

** Among families with incomes of $20,000 or more, the Index value was 74.8 in the January 1981 survey, up 7.9 Index points from the December reading, but below the November reading by 7.9 Index points. In comparison with a year ago, among all families as well as high income families, the Index of Consumer Sentiment in January 1981 was approximately 4 Index-points higher than in January 1980. The largest gains recorded in early 1981 were among residents of the North Central and Western regions, and among respondents aged 35 to 54. Across geographic regions, the ICS ranged from a low of 68.2 (Northeast) to a high of 74.4 (West), indicating an insignificant differential.

** Good times financially were expected in the economy as a whole during the next 12 months by 31 percent of all families, up from 26 percent in December and 24 percent in January 1980. Bad financial times were expected by 53 percent in January 1981, below the 62 percent recorded in December, and 66 percent recorded in January 1980. Good economic times during the next five years were expected by 30 percent of all respondents in January 1981, up from 25 percent in December and 17 percent in January 1980.

** Declines in interest rates and prices were expected in the January 1981 survey. Price expectations fell to 7.8% from 10.1% in December 1980. Declines in interest rates were expected by 44 percent of all families, up from 29 percent in December 1980.

** In the January 1981 surveys more than three in four families, a new all time record low level, held unfavorable attitudes towards buying conditions for houses, due to heightened concern with interest rates.

* * *

Consumer sentiment, after rising more than 20 Index points in the five months following the May 1980 low, has on balance remained largely unchanged during the past three months. Greatly heightened concern with interest rates has dominated unfavorable evaluations of business as well as buying conditions. At the same time, however, the election of President Reagan has increased optimistic expectations for improved business conditions. Consumer evaluations of their personal financial situation have remained near record low levels--and will continue to be strained in early 1981 with higher prices for gasoline and lower take-home pay due to higher Social Security tax rates. These data indicate that consumer sales of discretionary items will remain sluggish throughout the first half of 1981.

Monitoring Economic Change Program
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Personal Finances

Consumer evaluations of their own personal financial progress were unchanged in the January 1980 survey from one month earlier. Among all families, 25 percent stated that their families financial situation had improved during the past year (identical to the December 1980 reading), and 45 percent stated their financial position had worsened (down somewhat from 48 percent in December 1980). Overall, consumer evaluations of their current financial situation remained near record low levels. In comparison with a year earlier, fewer families reported being better off financially (down from 34 percent in January 1980 to 25 percent in January 1981), and families more frequently reported being worse off financially (from 38 percent in January 1980 to 45 percent in January 1981). When asked to explain why their financial situation had improved or worsened during the past year, respondents less frequently mentioned income increases in January 1981 (26 percent) than in January 1980 (34 percent), and more frequently mentioned the unfavorable impact of high and rising prices in early 1981 (46 percent) than a year earlier (39 percent).

Changes consumers expected in their personal financial situation during the next year were somewhat more favorable in January 1981 than one [illegible] earlier, and nearly equal to year ago readings. Among all families, 27 percent reported in January 1981 that they expected to be better off financially, up from 25 percent in December, and just below the 28 percent in January 1980. The proportion who expected a worsening personal financial situation fell to 18 percent in January 1981, from 25 percent in December, and 22 percent in January 1980.

As shown in Table A below, in the January 1981 survey, more than twice as many families report being better off financially compared with five years ago (52 percent) than compared with one year ago (25 percent). Families more frequently reported that their financial situation had worsened during the past year (45 percent) than compared with 5 years ago (34 percent). Changes expected in their personal financial situaton were more favorable over the longer rather than the shorter terms. In January 1981, 41 percent of all families expected to be better off financially during the next 5 years, above the 28 percent who reported that they expected to be better off financially in the year ahead. Interestingly, nearly identical proportions of families reported that they expected their financial situation to worsen during the year ahead (18 percent) as during the next five years (17 percent).

TABLE A

PERSONAL FINANCIAL SITUATION
(January 1981)

	Current Financial Situation Compared With...	
	One Year Ago	Five Years Ago
Better	25%	52%
Same	30	13
Worse	45	34
DK, NA	*	1
Total	100%	100%

	Financial Situation Expected...	
	In One Year	In Five Years
Better	28%	41%
Same	47	31
Worse	18	17
DK, NA	7	11
Total	100%	100%

Changes expected in nominal family income remain largely unchanged in early 1981 from year earlier readings. Among all families, 27 percent expected income increases of 10% or more, down somewhat from 29 percent in December and February 1980. Because short-term price expectations declined in early 1981, fewer families expected real income declines during the next year. In January 1981, 41 percent reported that they expected prices to go up by more than their income during the year ahead, down from 52 percent in January 1980. Despite this improvement in early 1981, one-in-three families continued to expect continuous declines in real incomes.

Business Conditions

Consumer evaluations of current business conditions were on balance unfavorable in the January 1981 survey, unchanged from the December 1980 survey. Among all families, 71 percent reported that business conditions were now worse than those of a year earlier, unchanged from the 72 percent recorded in December 1980, and above the 62 percent recorded a year earlier. Despite the lack of improvement in current business conditions, changes expected in business conditions during the year ahead were more favorable in January 1981 than in December 1980. Among all families, 39 percent expected business conditions to improve, up from 29 percent in December 1980 and 17 percent in January 1980.

Overall, short term business expectations in January 1981 were much improved over the year earlier figures: in January 1981 consumers expected business conditions to improve rather than worsen by a margin of 39 to 16 percent, nearly the reverse of the unfavorable balance of the 17 versus 35 percent recorded in January 1980. Importantly, the proportion of families who reported both past and expected declines in business conditions fell from 24 percent in January 1980 to 14 percent in January 1981. When asked why they thought business conditions would improve or worsen during the year ahead, 35 percent of all respondents mentioned potential changes in government economic policies associated with the Reagan administration, up from 27 percent in December, and 34 percent in November 1980.

When asked about potential changes in federal taxes during the year ahead, 41 percent of all families reported that they expected tax reductions in the January 1981 survey, somewhat below the November 1980 reading, but significantly above the 25 percent recorded in the pre-election October 1980 survey (Table B). Overall, the Index of Consumer Sentiment was nearly 5 points higher among those who expected a tax cut (see Table C). The primary impact of the expected tax reduction was on prospects for short-term business conditions and personal finances. Buying attitudes were only marginally more favorable among those who expected tax reductions.

Declines Expected in Interest Rates and Prices

Interest rate declines were expected by 44 percent of all families in January 1981, up from 29 percent in December and 21 percent in January 1980. Interest rates were expected to increase during the year ahead by 29 percent in the January 1981 survey, down sharply from the 53 percent recorded in December and 45 percent recorded in January 1980. This represents the first survey in six months in which more families expected interest rates to decline than to increase.

Price expectations declined significantly in the January 1981 survey from month earlier and year earlier readings. Among all families, prices were expected to increase on average by 7.8% during the year ahead, down from 10.1% recorded in

TABLE B

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981
Yes	25%	46%	41%
No	64	42	43
Uncertain; don't know	10	11	15
Not ascertained	1	1	1
Total	100%	100%	100%
Cases	685	694	698

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

TABLE C

IMPACT OF EXPECTATIONS OF TAX CUT ON CONSUMER SENTIMENT

(January 1981)

	Whether Respondent Expected Tax Cut During Next Year	
	Yes	No
Index of Consumer Sentiment	75.4	70.5
Personal Finances		
Expected during next year	119*	104
Business Conditions		
Expected during next year	137	113
Expected next five years	90	79
Market Conditions		
Household durables	124	115
Cars	89	86
Houses	48	36

---

*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

December 1980, and 13.1% recorded in January 1981 (the all time record high level). During the past year, the proportion of families who expected prices to increase by 15% or more fell from 25 percent in January 1980, to 18 percent in December 1980, and to 9 percent in January 1981. At the same time, the expectation that prices would remain the same or decline in the year ahead grew from 9 percent in January 1980 to 17 percent in December, and 21 percent in January 1981.

Unemployment expectations remain largely unchanged in the January 1981 survey from one month earlier. Among all families, 38 percent expected unemployment to increase during the year ahead, nearly equal to the 39 percent recorded in December, but below the 54 percent recorded in January 1980. Unemployment was expected to decline by just 19 percent of all families in January 1981, up somewhat from the 17 percent recorded in December and 9 percent recorded in January 1980.

Housing Market Reaches New Low

Continued decline in favorable buying attitudes for houses was recorded in the January 1981 survey, along with some improvement in attitudes toward buying conditions for large houehold durables and automobiles. Tight credit conditions and high interest rates continued to dominate unfavorable attitudes in all three markets, while an increase in mentions of the availability of good buys and low prices was responsible for the small improvement in the automobile and household durable markets.

Attitudes towards buying conditions for houses reached a new all-time record unfavorable level in the January 1981 survey. Seventy-seven percent of all families held unfavorable attitudes in the January 1981 survey, up from 75 percent in December 1980, and 60 percent in January 1980. The January 1981 survey recorded the fifth straight monthly decline, following rapid improvement during mid 1980. While the proportion holding favorable buying attitudes posted only a slight decline from December 1980 (falling to 18 percent form 19 percent), twice as many families held favorable attitudes only one year ago (36 percent). In explaining their unfavorable views, 76 percent of all families cited high interest rates, similar to the 77 percent recorded in December, and equals the prior records set in April (76 percent) and May 1980 (75 percent).

The January 1981 survey recorded an increase in favorable attitudes toward buying conditions for large household durables, although they remain less favorable than three months or one year earlier. Favorable buying attitudes toward durables were held by 50 percent of all families in January 1981, up from 45 percent in December 1980, but below the 55 percent recorded in October 1980, and the 60 percent recorded in January 1980. The recent increase in favorable attitudes can be attributed to both increased mentions of good buys at low prices (23 percent in January 1981, up from 17 percent in December 1980), and fewer mentions of high prices (17 percent in January 1981, down from 26 percent in December). Unfavorable attitudes toward market conditions for durables remain dominated by references to high interest rates (25 percent).

Favorable attitudes toward automobile purchases increased slightly in January 1981 to 36 percent from 33 percent in December 1980. This increase was due for the most part to more frequent mentions of rebates and low prices (18 percent in January 1981, up from 13 percent in December 1980). Unfavorable attitudes toward buying conditions for cars declined in January 1981 to 51 percent, 8 percent below the December figure, and nearly equal to the 50 percent recorded in January 1980. However, mentions of high prices and high interest rates continue to dominate postponement rationales. Tight credit conditions and high interest rates were mentioned by as many respondents in January 1981 (28 percent) and December 1980 (29 percent) as during the credit restraint program in April (24 percent), May (29 percent) and June 1980 (22 percent).

During the past year, unfavorable attitudes toward the automobile market were much less frequently explained by references to the price and availability of gasoline (falling from 19 percent in January 1980 to 4 percent in January 1981), only to be replaced by more frequent complaints of high interest rates (rising from 13 percent in January 1980 to 28 percent in January 1981). Recent and expected increases in gasoline prices will again raise these concerns during the next year.

* * *

The January 1981 survey included 698 interviews conducted between January 5 and January 29, 1981.

U7475-2B
3/10/81

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
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TABLES AND CHARTS

FEBRUARY 1981

The February 1981 survey is the 127th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

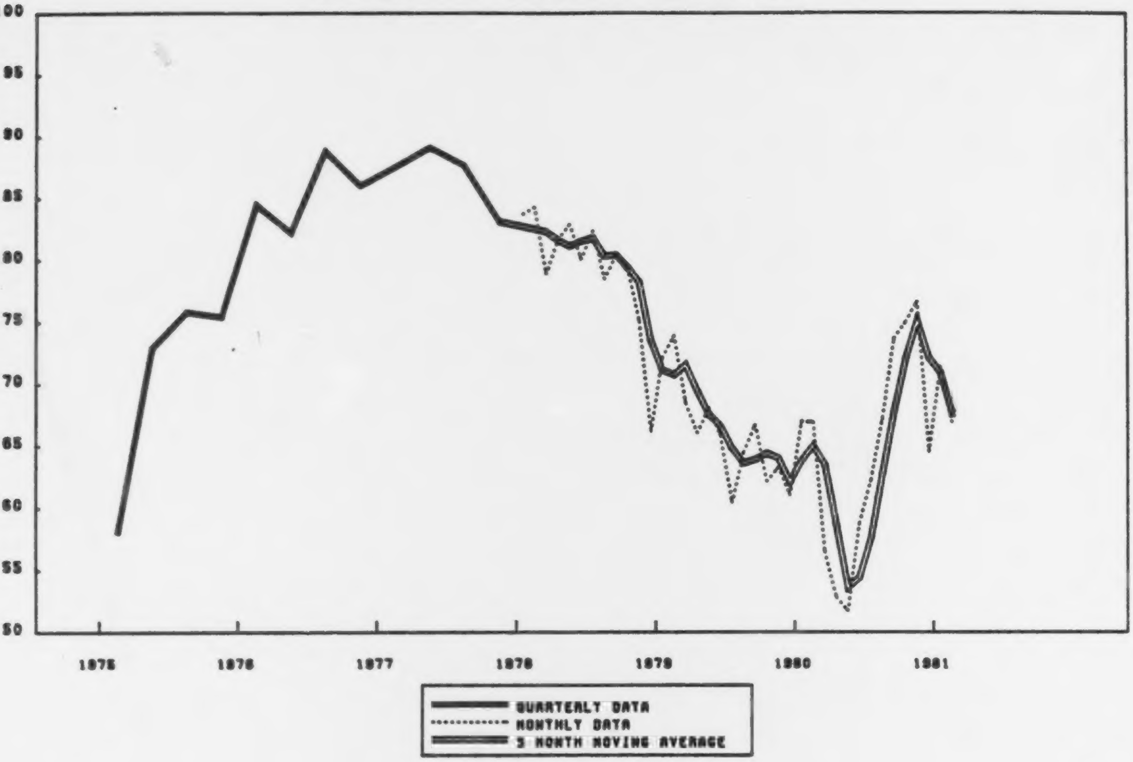

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

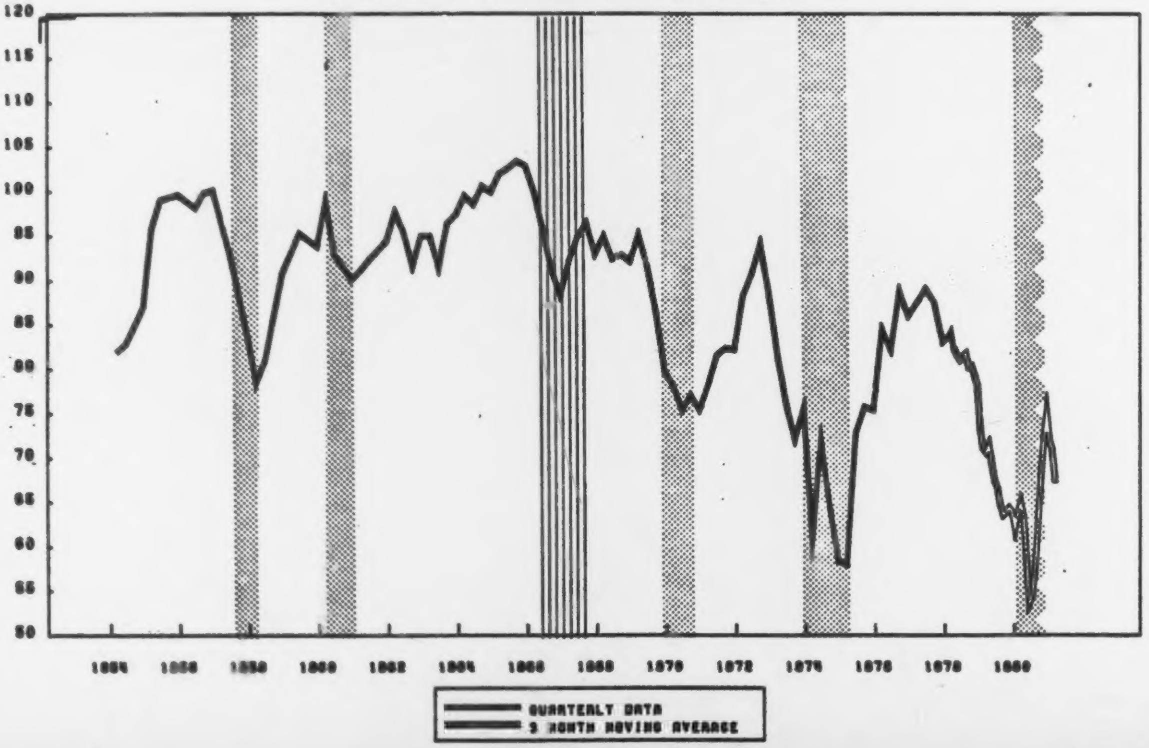

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

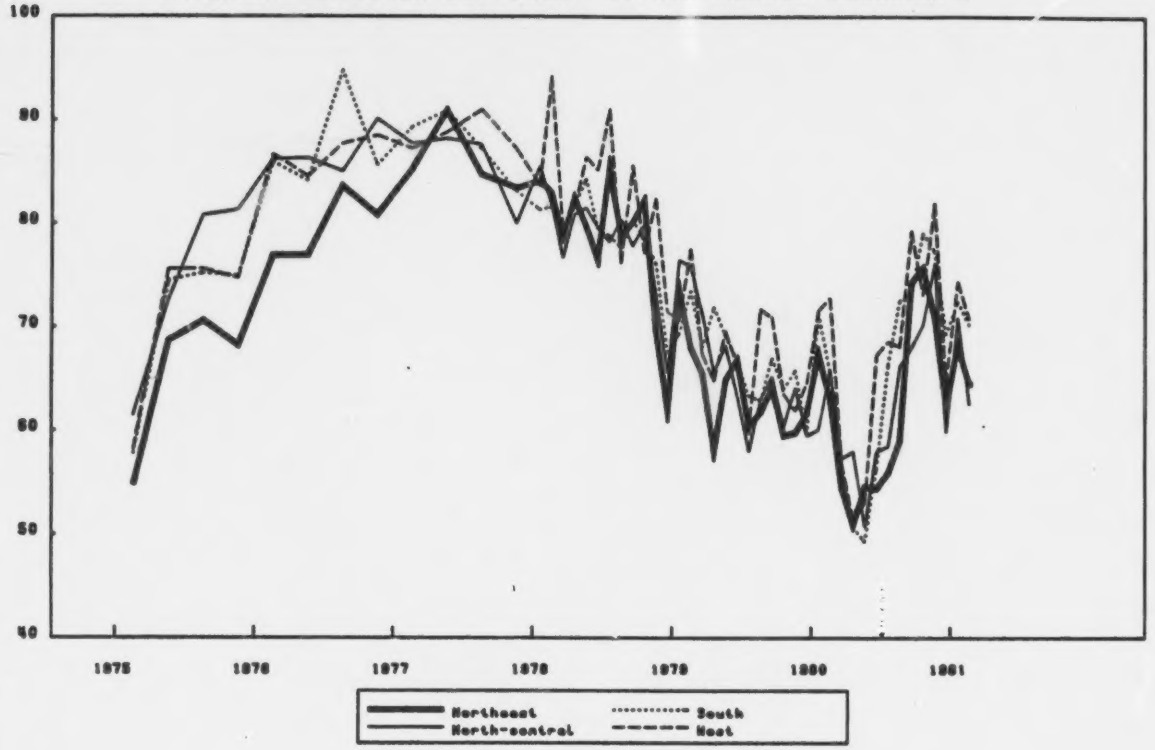

CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

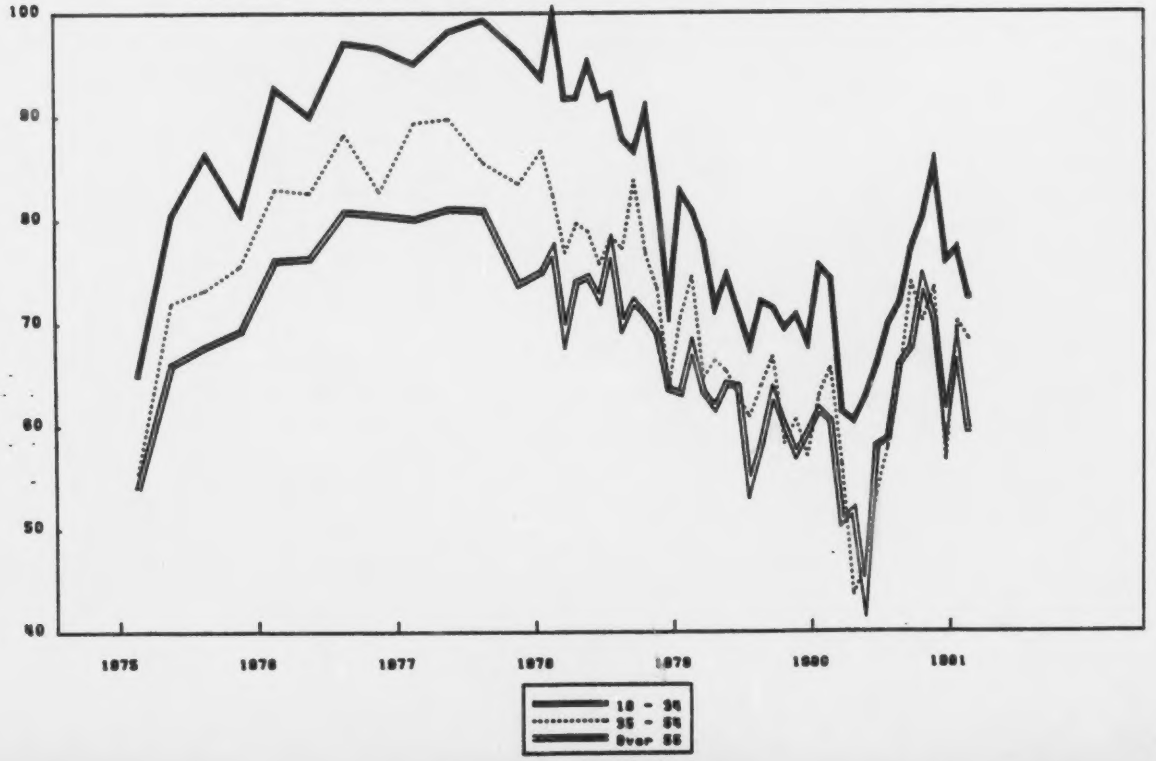

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
February 1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March 1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April 1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May 1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June 1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July 1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August 1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September 1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October 1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November 1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December 1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January 1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February 1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March 1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April 1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May 1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June 1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July 1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August 1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September 1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October 1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6

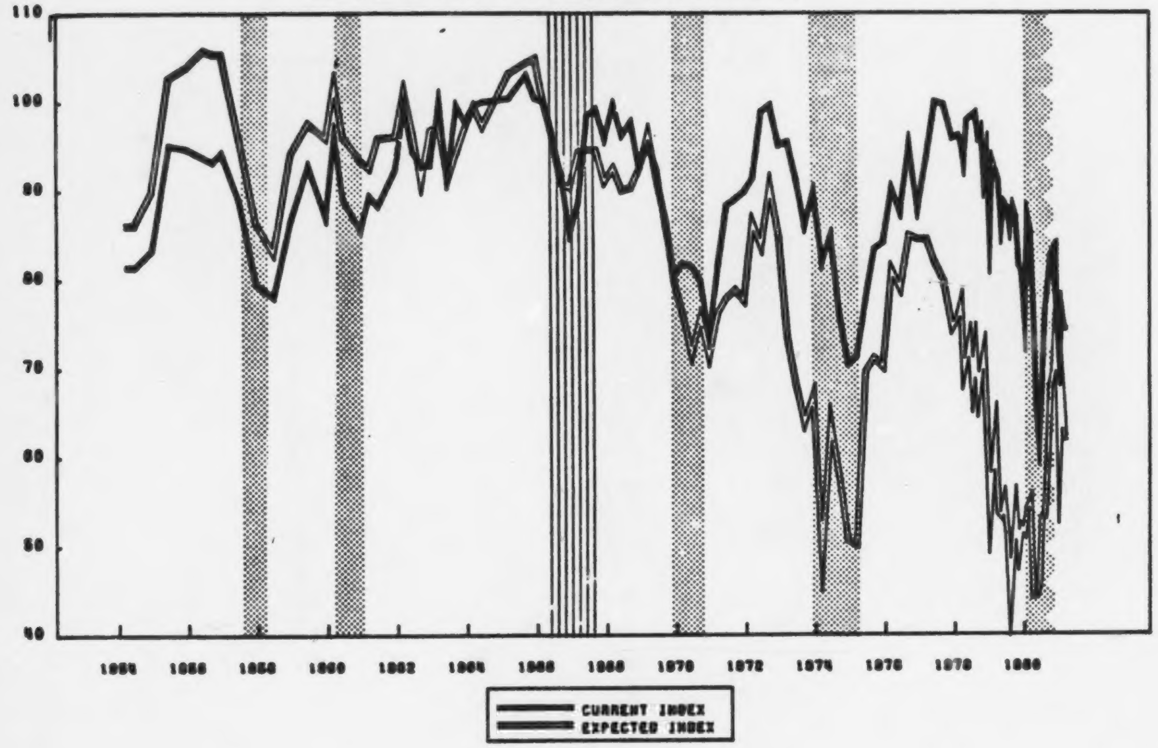

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

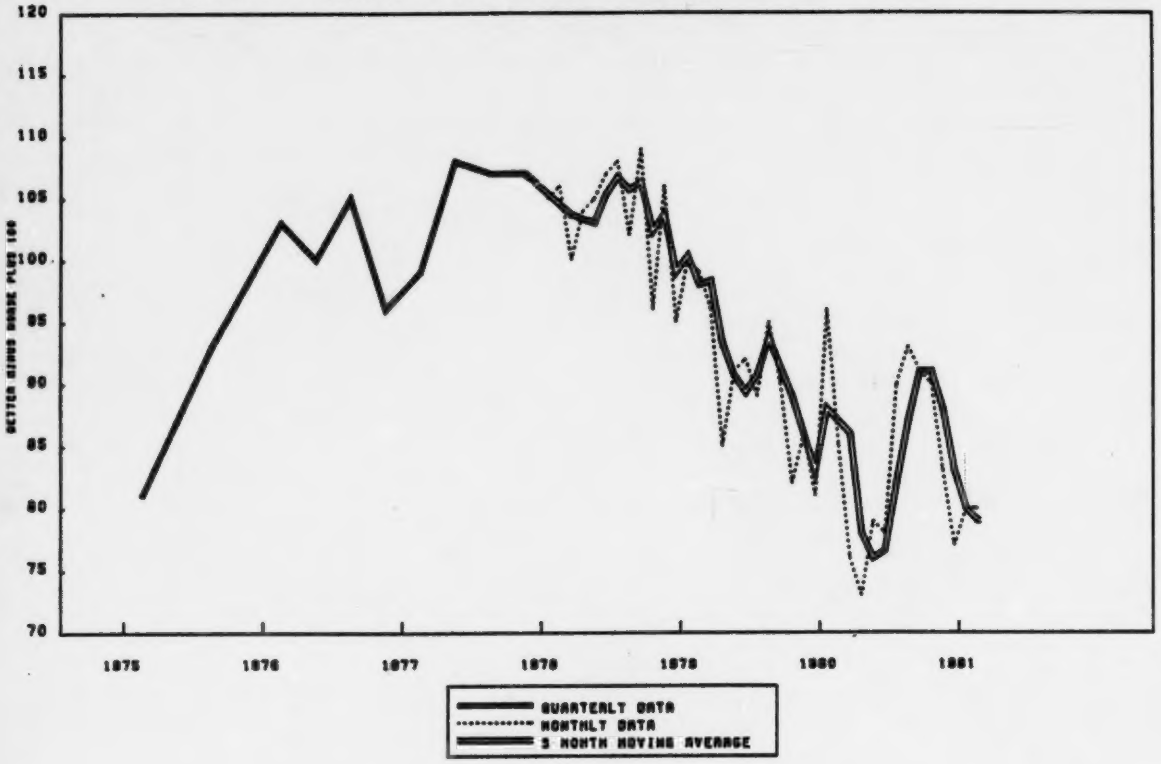

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

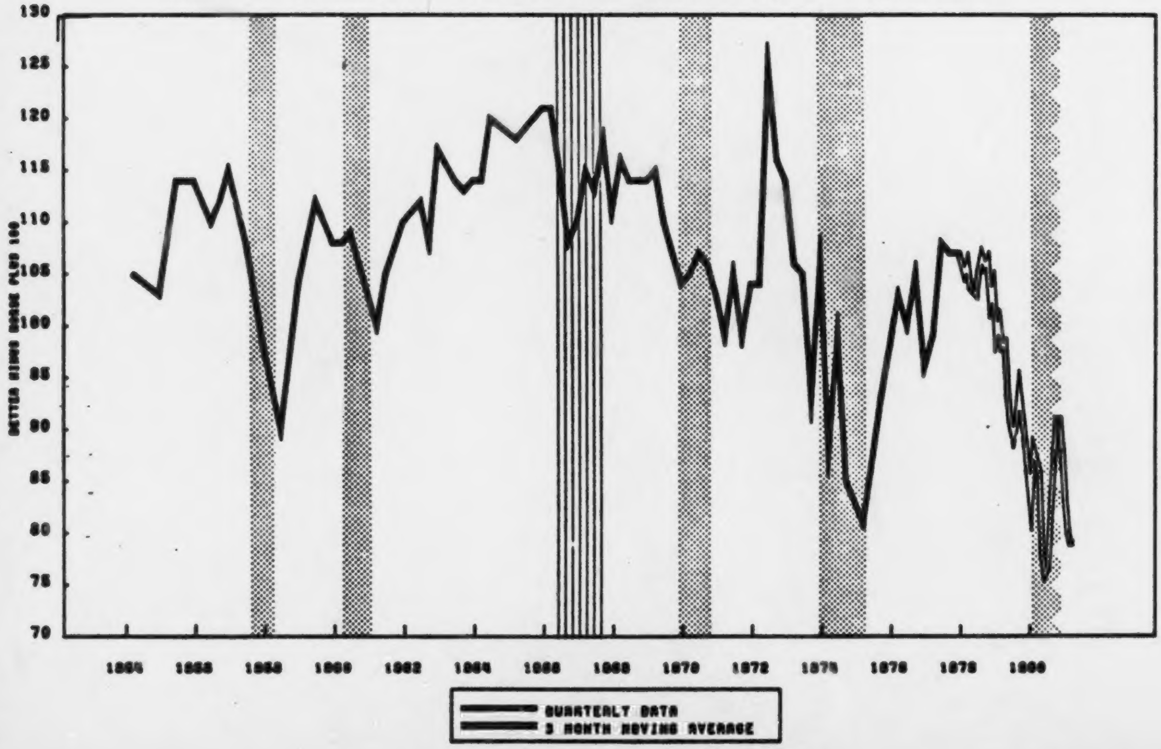

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%
SAME	25	28	25	26	26	29	26	27	30	26	26	30	26
WORSE OFF	45	48	51	47	47	40	40	40	40	45	48	45	47
DK,NA	*	*	*	1	2	1	1	2	*	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

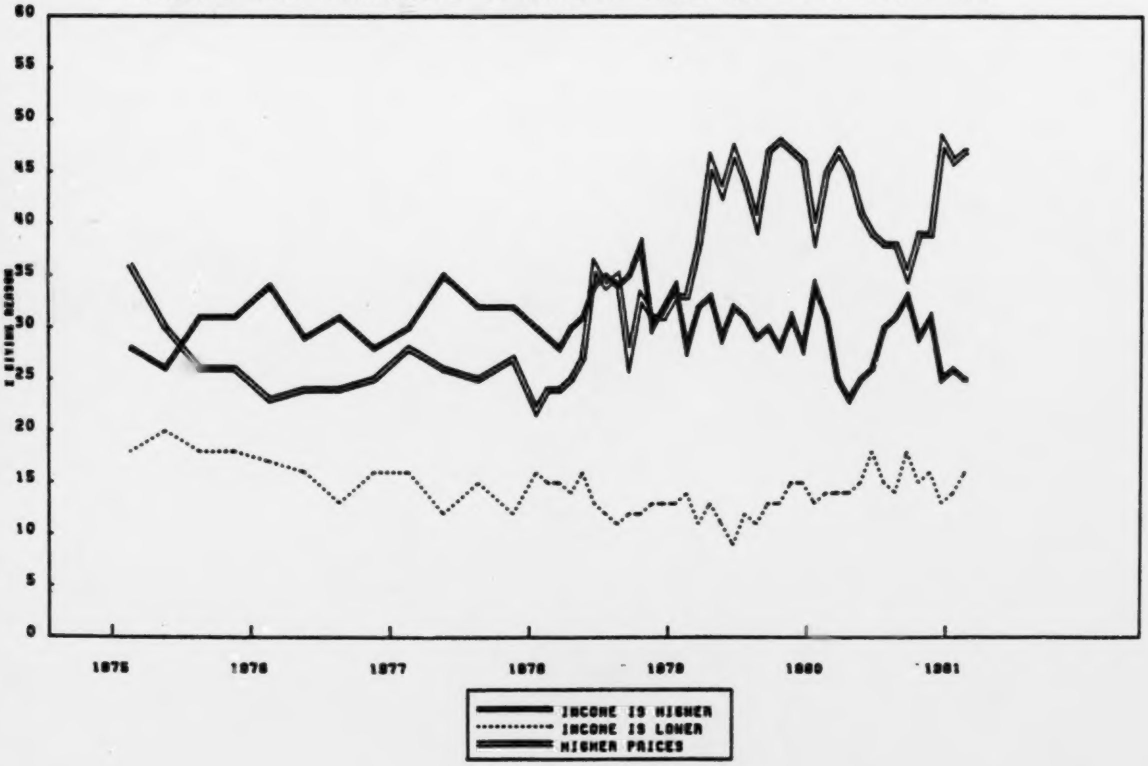

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	14	14	15	18	15	14	18	15	16	13	14	16
Higher prices	45	47	45	41	39	38	38	35	39	39	48	46	47

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

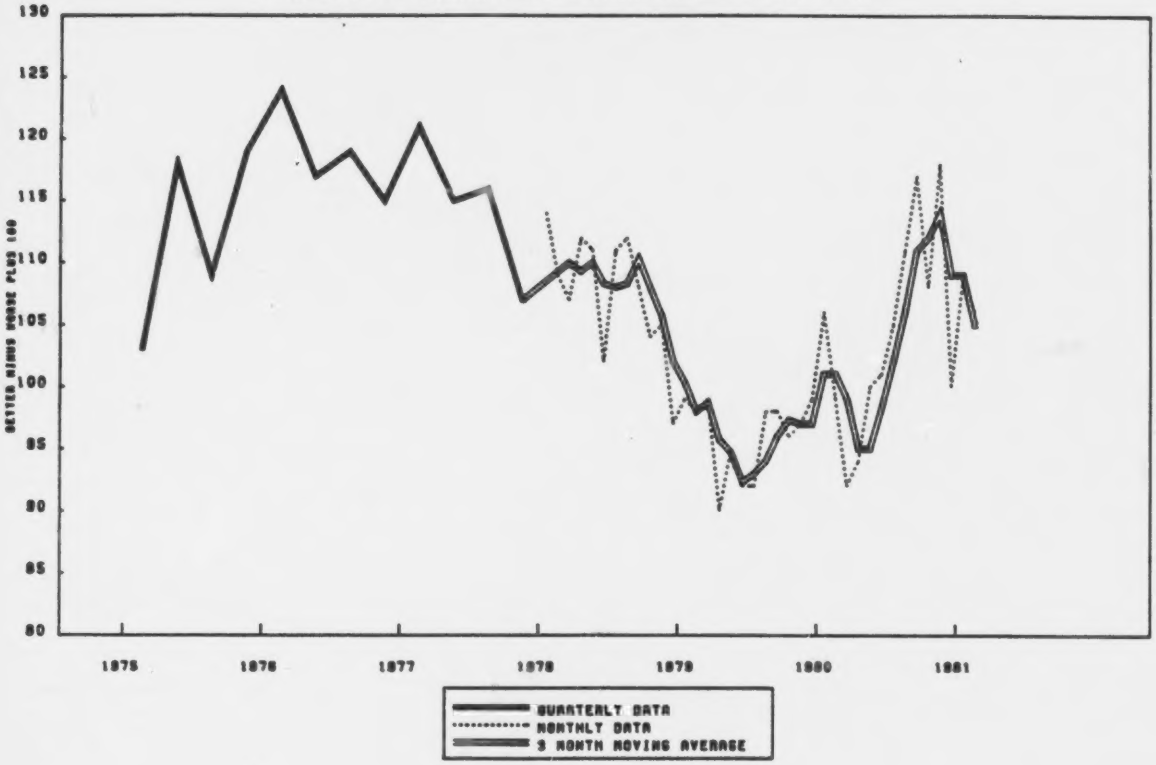

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

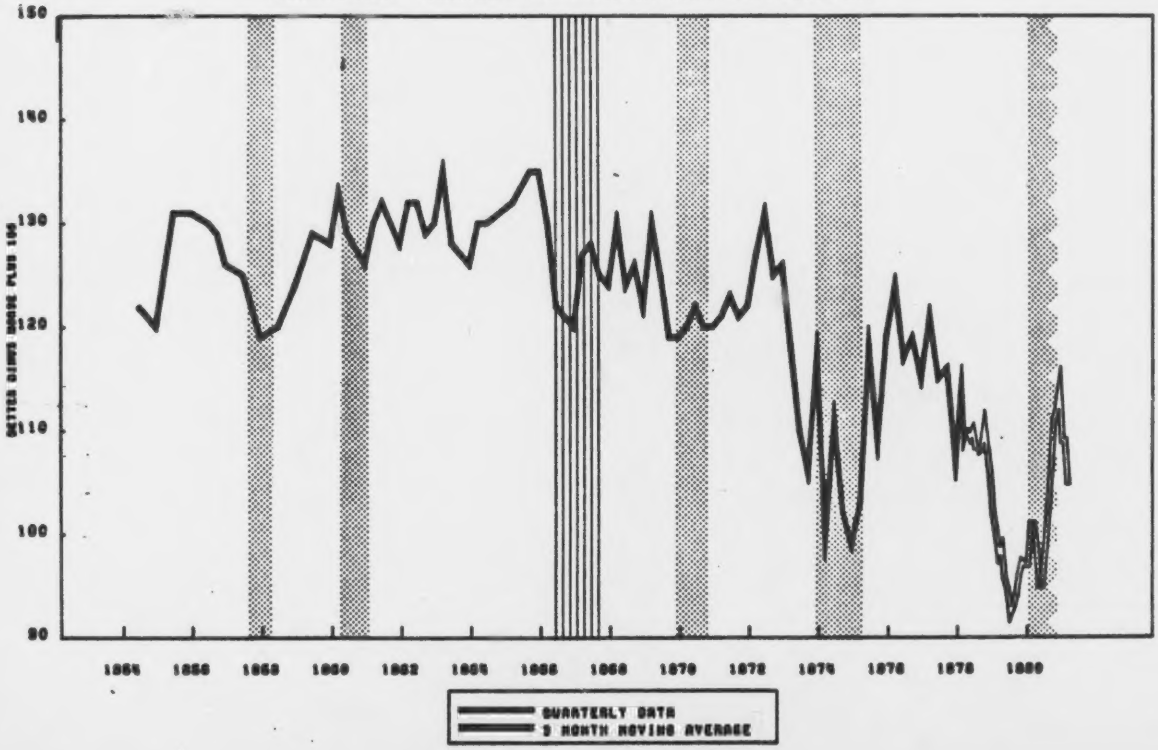

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%
SAME	45	47	42	43	46	48	48	45	50	42	45	48	48
WORSE OFF	26	28	31	27	25	21	19	17	17	17	25	18	20
DK,NA	4	5	2	3	3	5	3	4	8	6	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

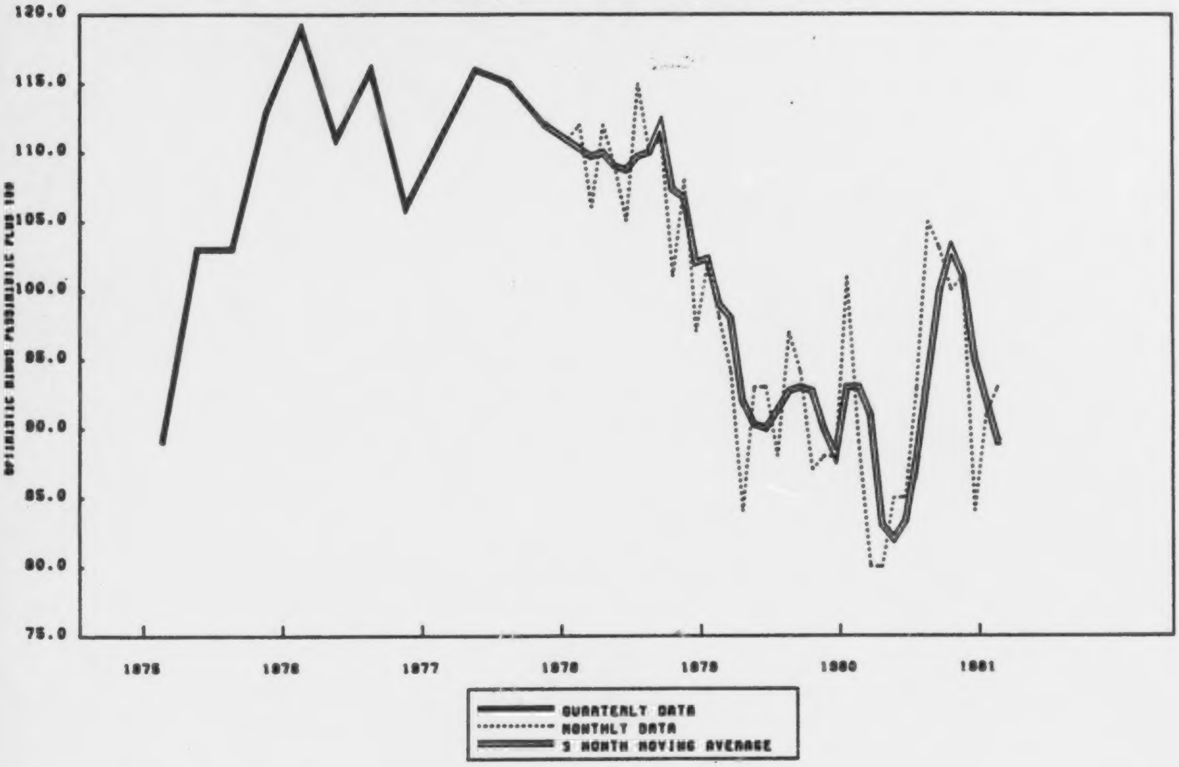

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

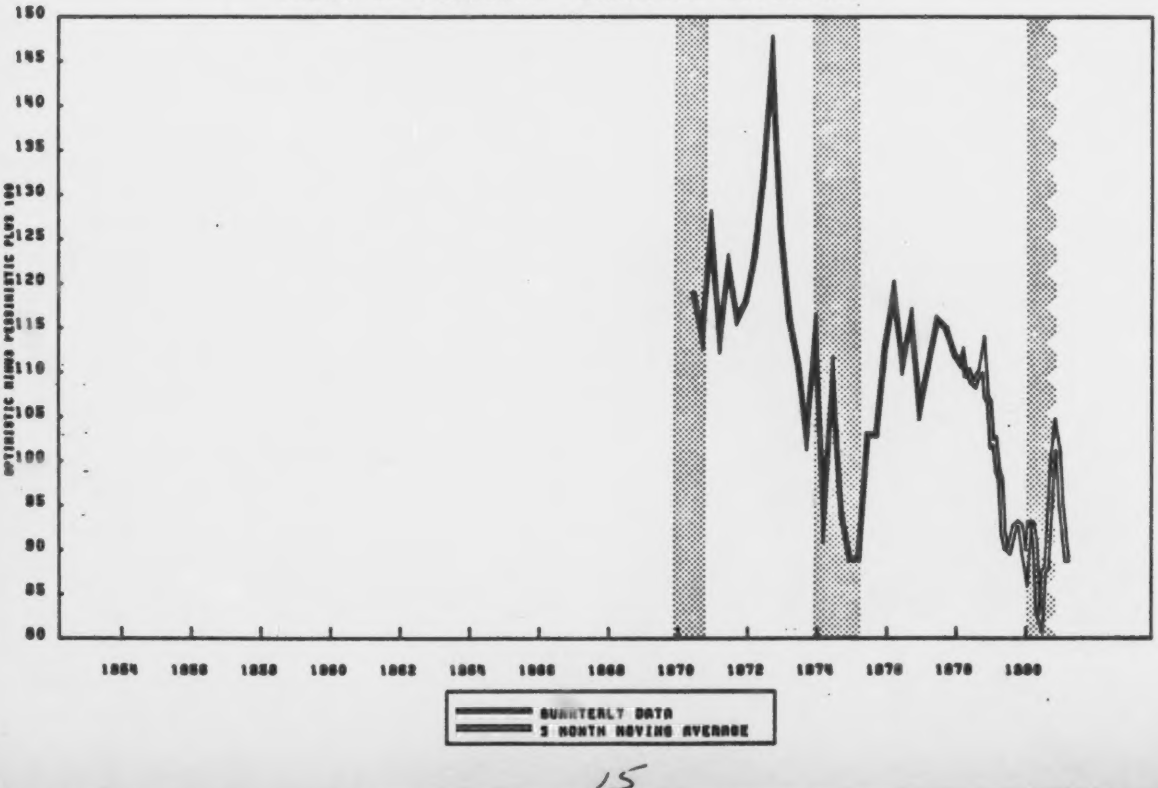

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%
Intermittant increase (b)	19	16	16	17	16	19	22	19	20	19	18	17	20
Remain unchanged (c)	12	15	14	12	14	14	16	15	18	13	12	16	15
Intermittant decline (d)	25	27	23	27	27	28	17	21	21	22	28	25	23
Continuous decline (e)	18	17	21	16	14	10	12	9	11	9	15	11	12
Mixed change (f)	10	13	16	14	15	11	18	16	10	18	13	14	16
DK,NA	3	5	2	3	4	6	3	6	8	6	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
EXPECT INCREASE:													
1-4%	6%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%
5%	8		8	7	7	8	10	7	7	10	7	8	7
6-9%	14		14	12	13	11	15	16	15	10	12	10	10
10-24%	20		23	24	25	20	20	21	21	26	22	21	20
25% or more	9		7	6	8	5	6	5	7	7	7	6	7
DK how much up	7		7	8	8	10	9	10	10	8	8	9	9
EXPECT SAME	24		25	22	21	21	21	21	21	24	22	24	24
EXPECT DOWN	10		9	13	12	18	11	10	9	7	11	12	11
DK,NA	2		2	2	1	2	2	3	2	3	3	4	4
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

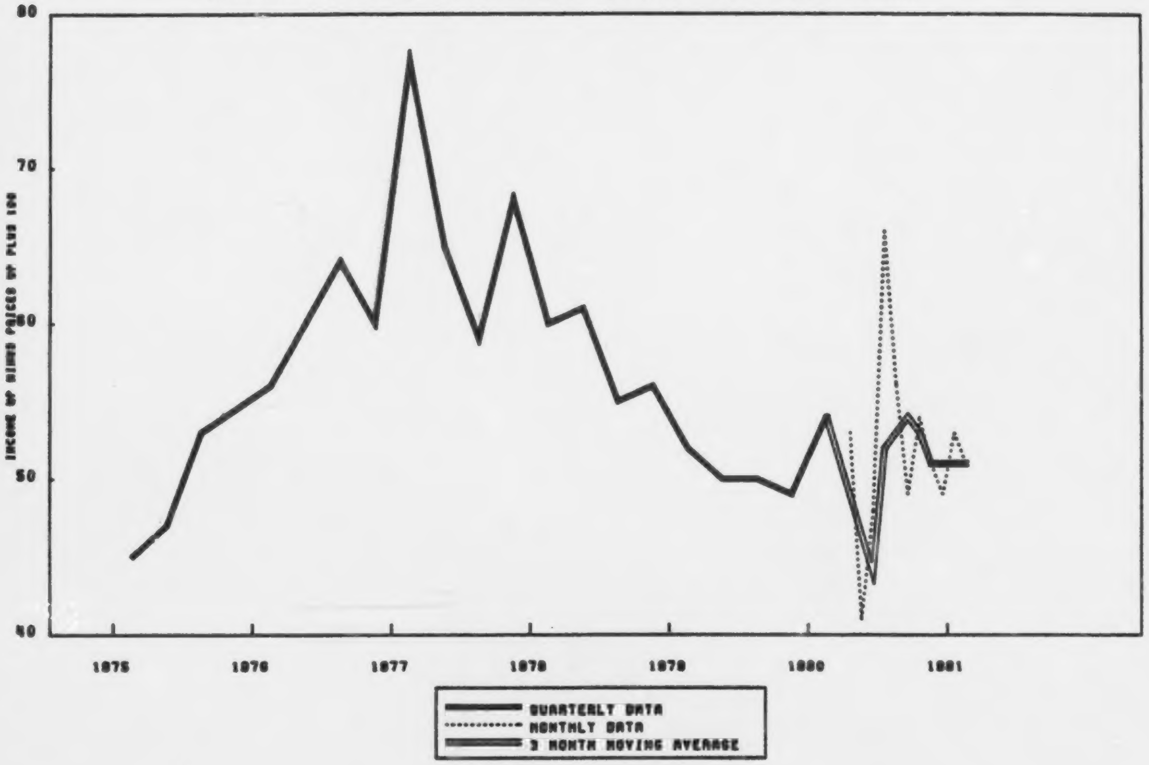

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
INCOME UP MORE	13%	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%
INCOME UP SAME	27		22	22	25	30	29	24	25	30	24	25	28
PRICES UP MORE	59		66	67	63	56	57	63	59	59	62	60	59
DK,NA	1		1	3	1	2	1	1	3	1	3	2	3
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

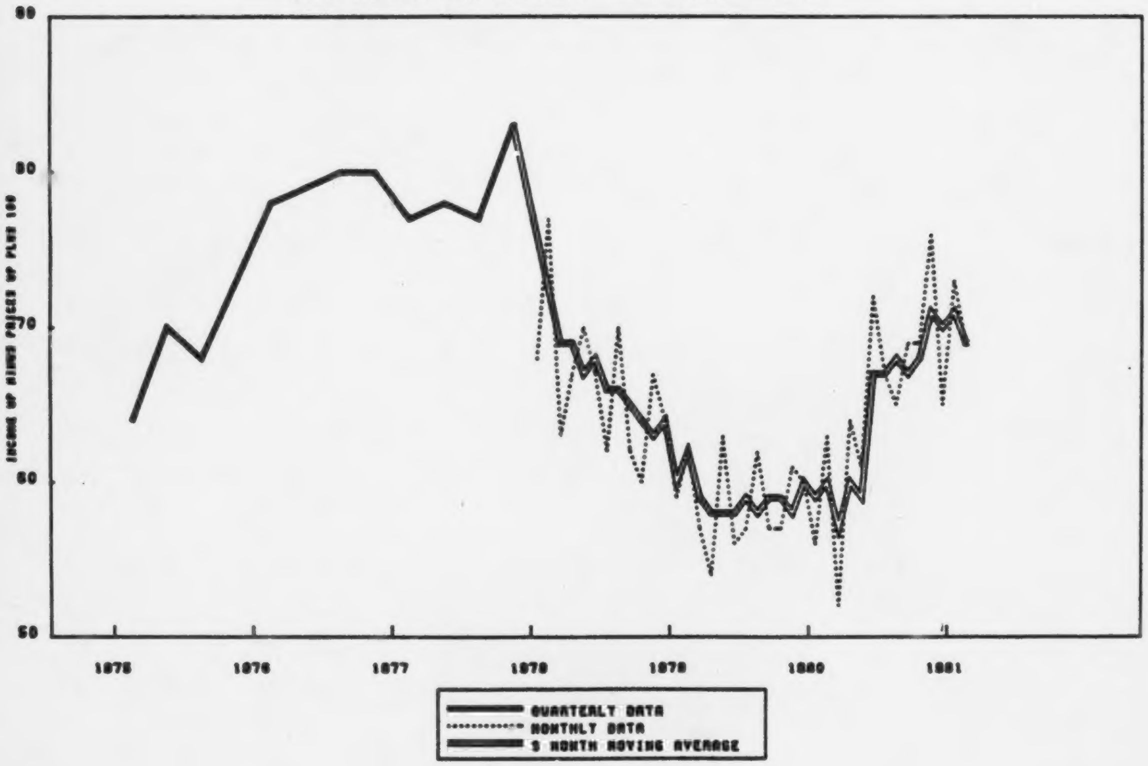

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
INCOME UP MORE	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%
INCOME UP SAME	33	32	37	34	41	38	40	38	42	42	36	39	43
PRICES UP MORE	51	56	48	51	42	45	46	45	43	40	47	41	42
DK,NA	2	4	3	3	3	5	3	3	3	2	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

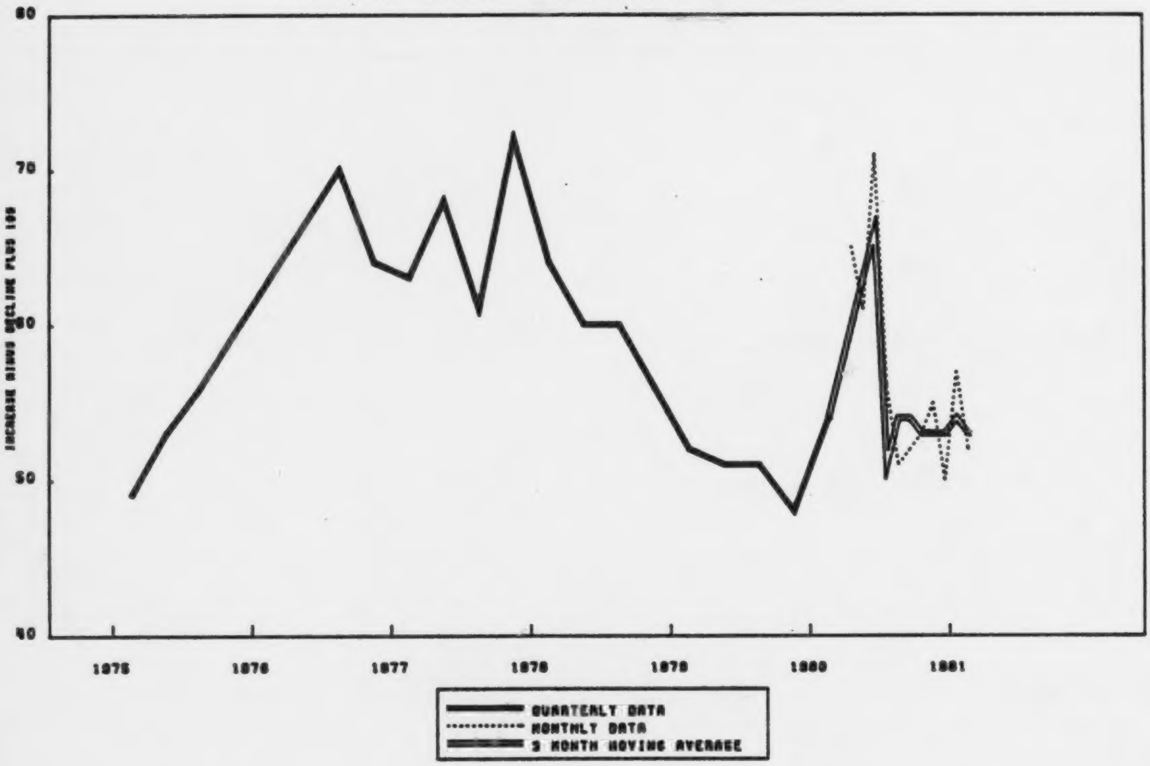

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	7%	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%
Intermittant increase (b)	8		8	9	8	9	11	9	6	9	7	8	8
Remain unchanged (c)	16		13	11	16	17	17	14	18	17	14	17	18
Intermittant decline (d)	19		24	22	26	23	22	23	25	27	24	22	25
Continuous decline (e)	42		41	44	35	35	37	39	34	33	38	35	35
Mixed change (f)	6		6	6	7	5	6	6	7	5	6	6	5
DK,NA	2		4	6	3	6	4	4	4	3	6	6	5
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

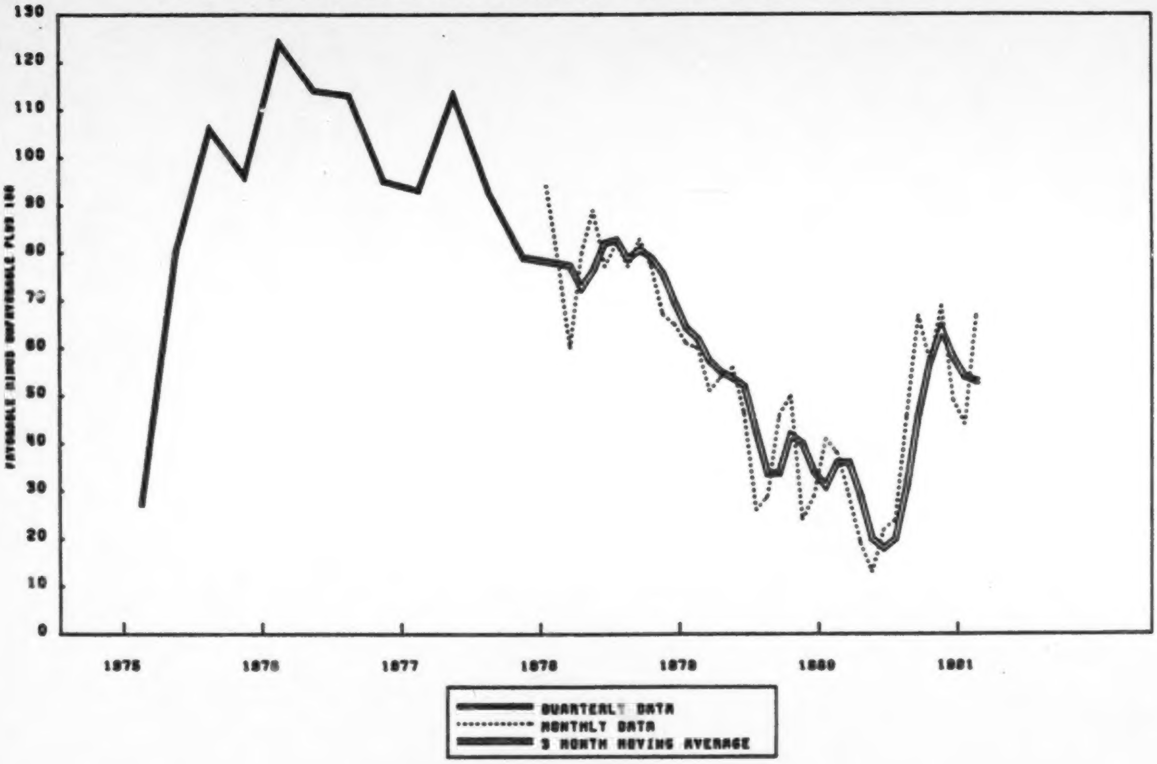

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

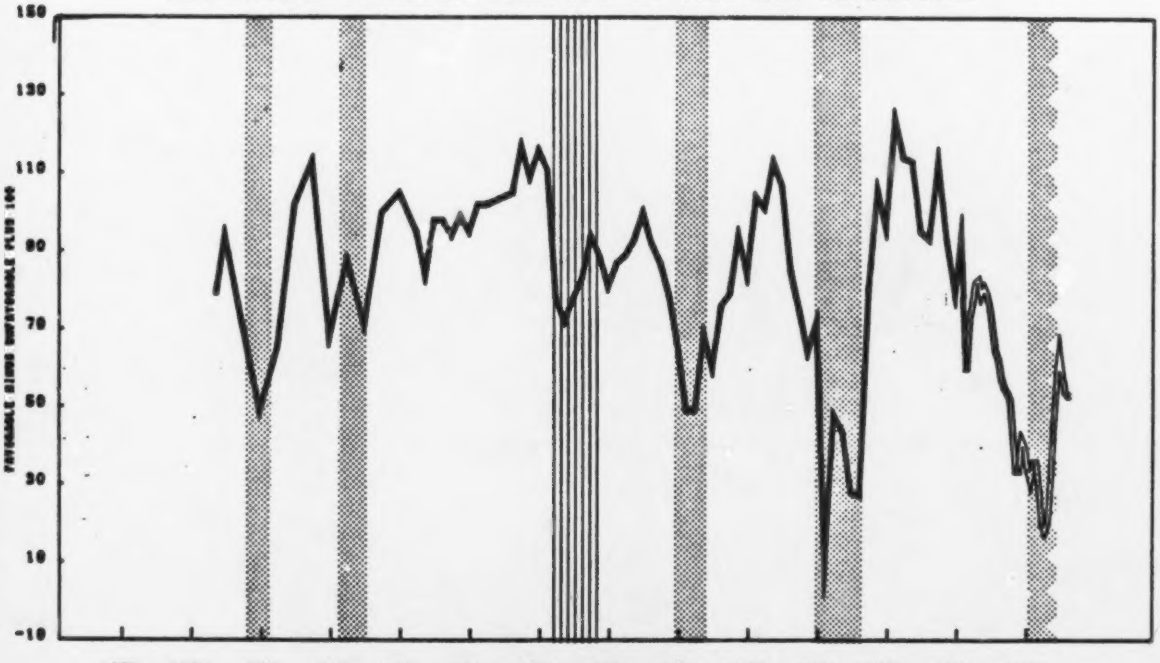

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE NEWS	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%
UNFAVORABLE NEWS	76	82	91	97	93	95	78	63	72	58	68	75	56
NO MENTIONS	41	41	35	30	29	30	34	38	33	47	44	39	46

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%	9%
Employment	5	3	3	1	3	4	7	7	10	7	5	4	5
Consumer demand high	1	1	1	*	1	1	1	3	3	2	1	2	1
Prices are low	1	*	1	1	1	1	*	1	2	1	*	*	1
Credit is easy	1	*	*	5	7	7	8	7	3	1	*	3	3
UNFAVORABLE NEWS:													
Government; elections	3	3	3	4	2	4	3	1	4	3	2	4	5
Unemployment	19	14	21	40	50	43	31	25	26	21	18	19	15
Consumer demand low	10	8	9	10	9	12	12	8	8	8	11	14	9
Prices are high	14	17	17	11	8	12	13	10	10	9	8	11	10
Credit is tight	9	22	24	16	9	5	5	8	12	9	19	14	7
Energy crisis	4	1	1	*	1	1	1	*	1	*	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

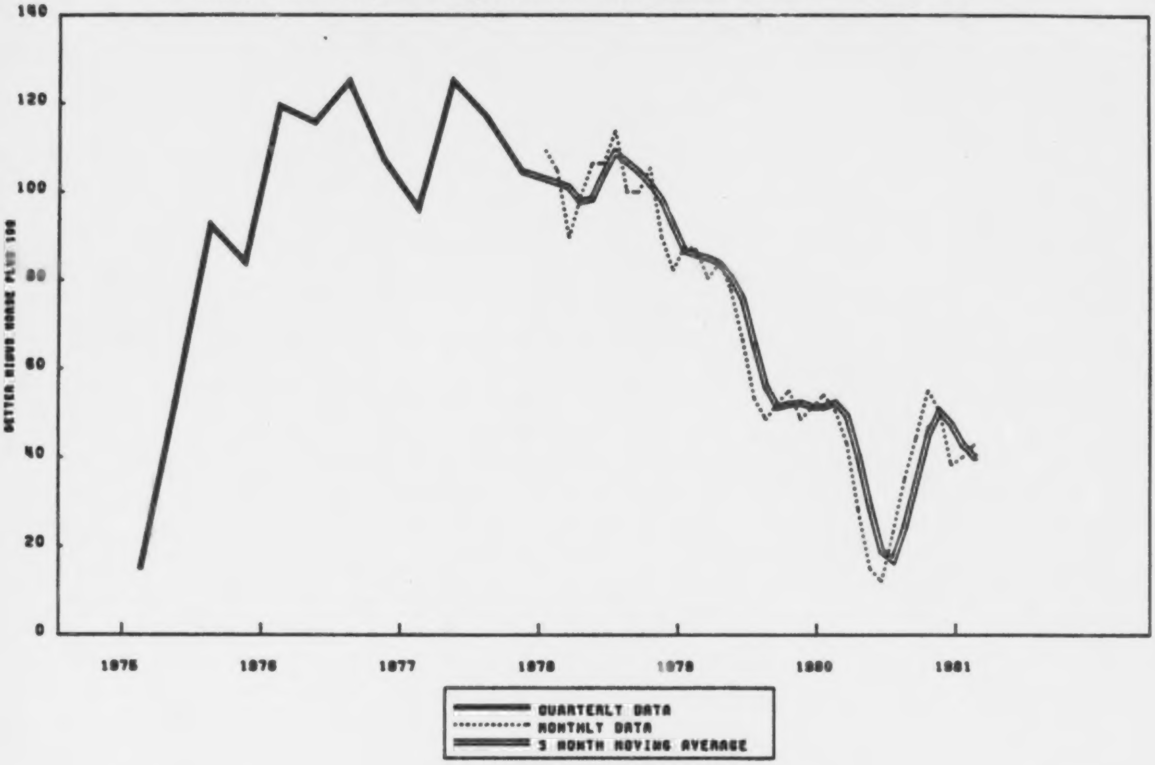

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

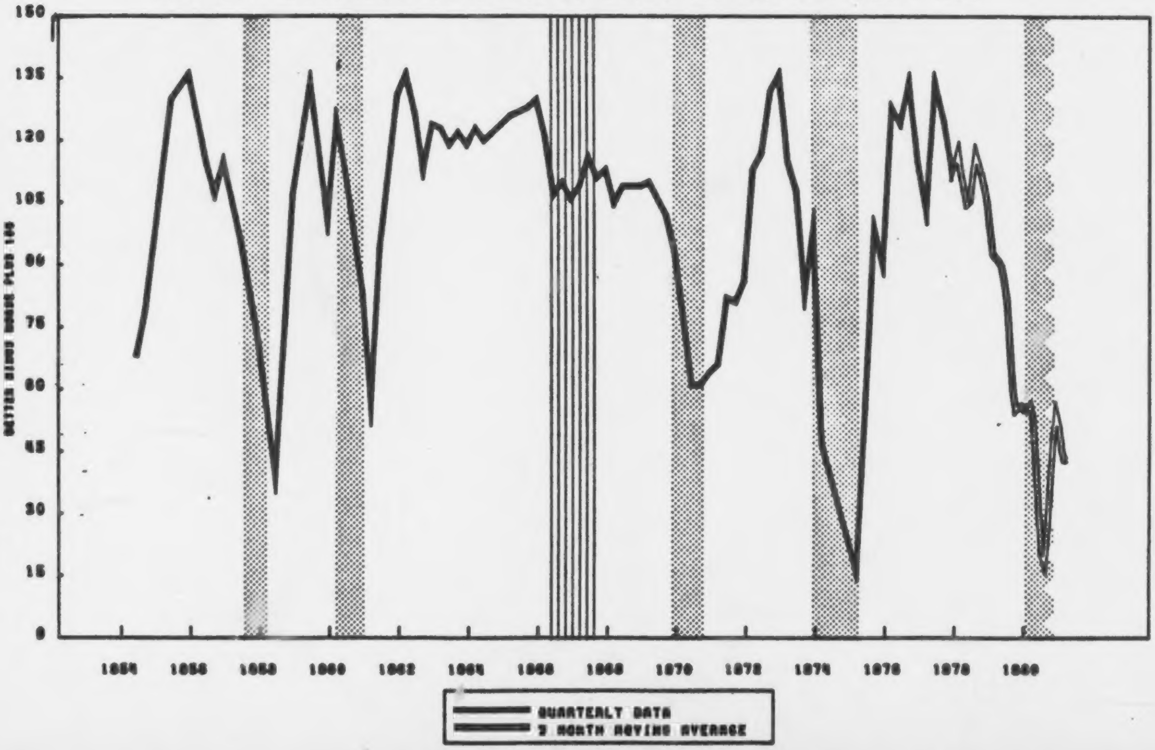

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER NOW	21%	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%
SAME	10	12	10	4	5	4	7	10	10	10	12	13	15
WORSE NOW	67	69	79	90	90	85	77	70	64	67	72	71	68
DK,NA	2	4	1	*	1	1	1	2	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

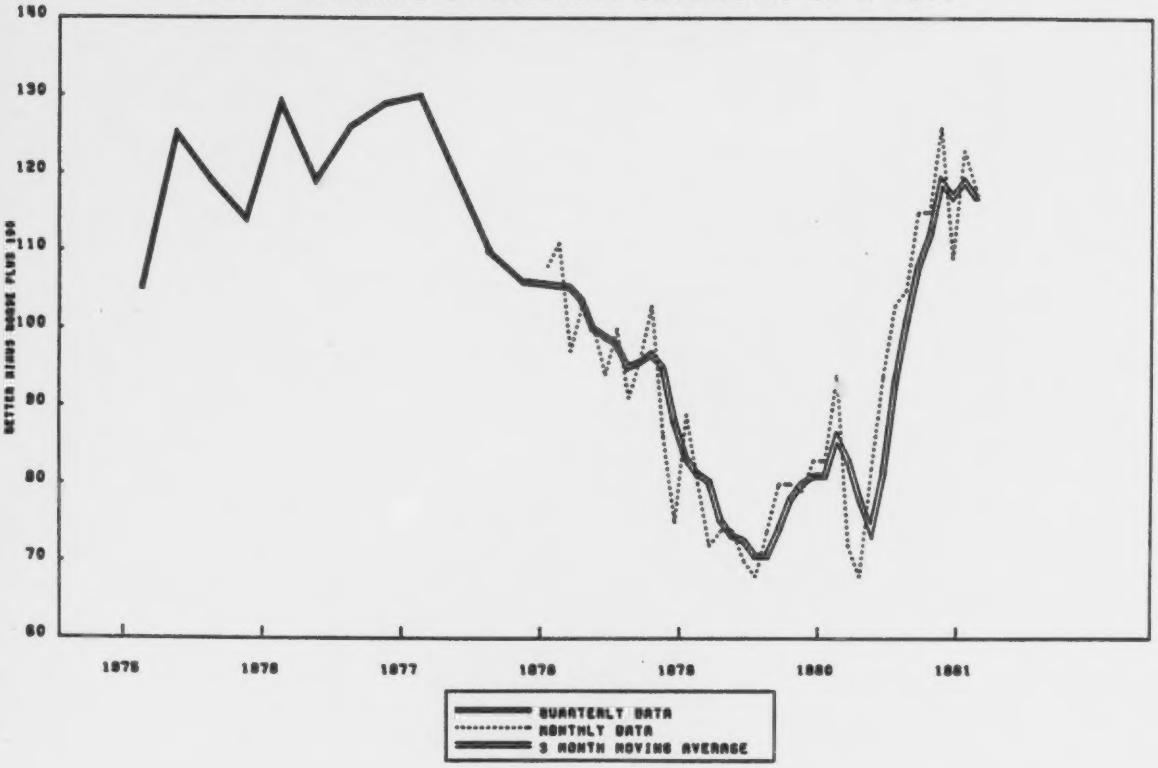

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

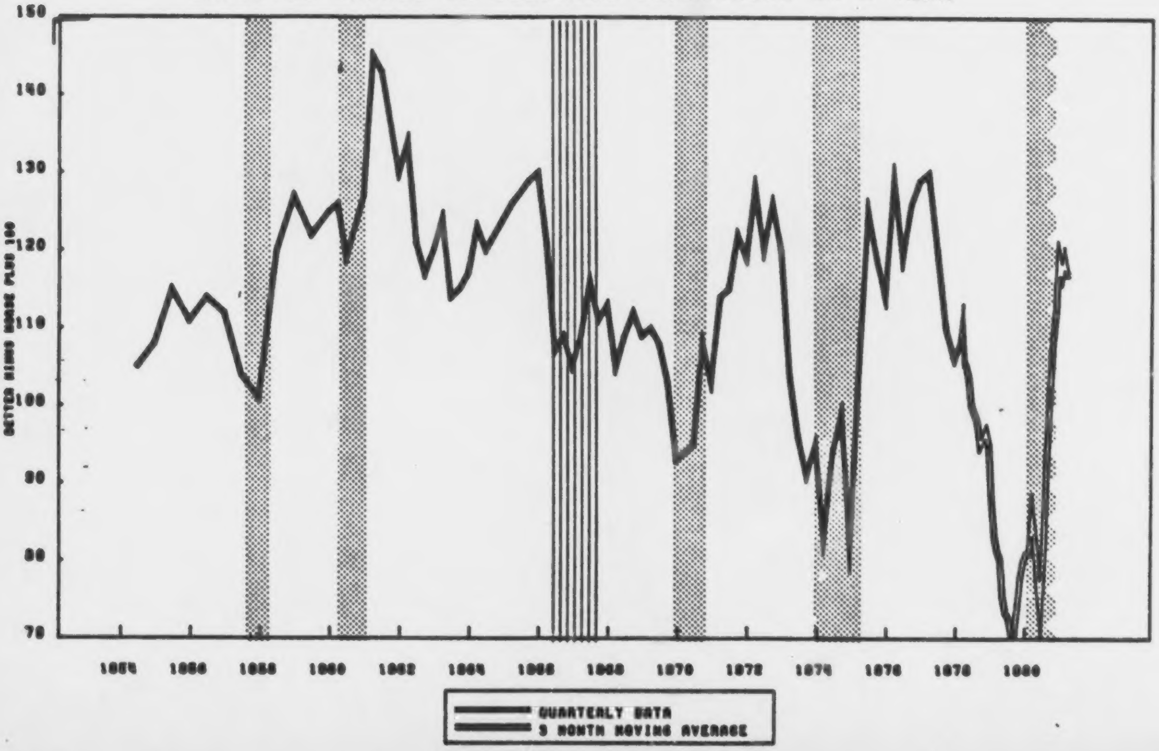

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%
SAME	49	42	37	37	38	43	44	47	44	42	46	42	46
WORSE	27	42	46	39	32	25	23	17	18	14	20	16	16
DK,NA	3	2	3	3	4	4	5	4	5	4	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE REASONS:													
Government; elections	11%	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%
Employment	4		2	2	3	4	4	5	5	5	3	4	2
Higher consumer demand	3		1	3	1	2	3	4	5	3	2	2	3
Lower prices	1		3	2	3	1	1	3	3	2	3	2	2
Easier credit	1		1	4	5	2	3	3	2	3	2	4	2
UNFAVORABLE REASONS:													
Government; elections	13		15	7	7	12	7	7	11	7	8	7	7
Unemployment	5		11	14	12	10	7	6	4	5	8	7	6
Lower consumer demand	7		6	5	5	6	7	3	2	2	6	5	4
Higher prices	16		25	14	10	9	14	10	10	8	10	8	12
Tighter credit	3		12	6	4	2	2	2	2	2	7	4	2
Energy crisis	6		3	2	1	1	1	1	1	1	*	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

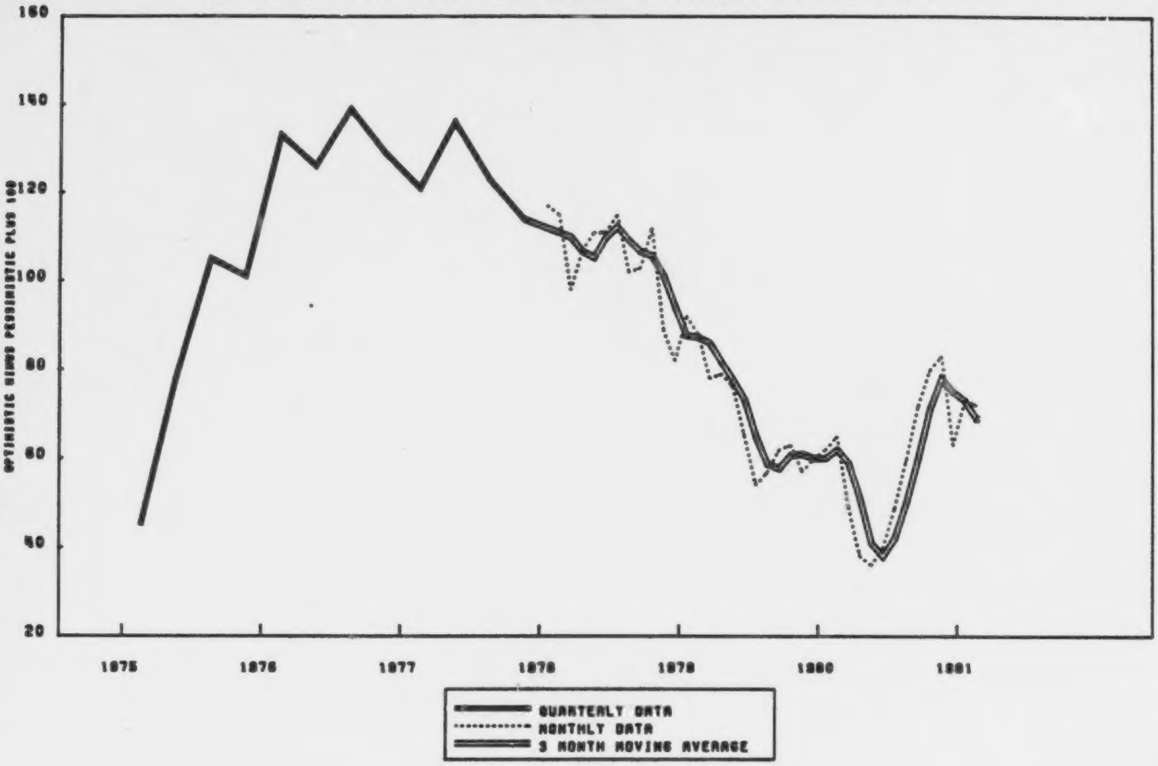

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

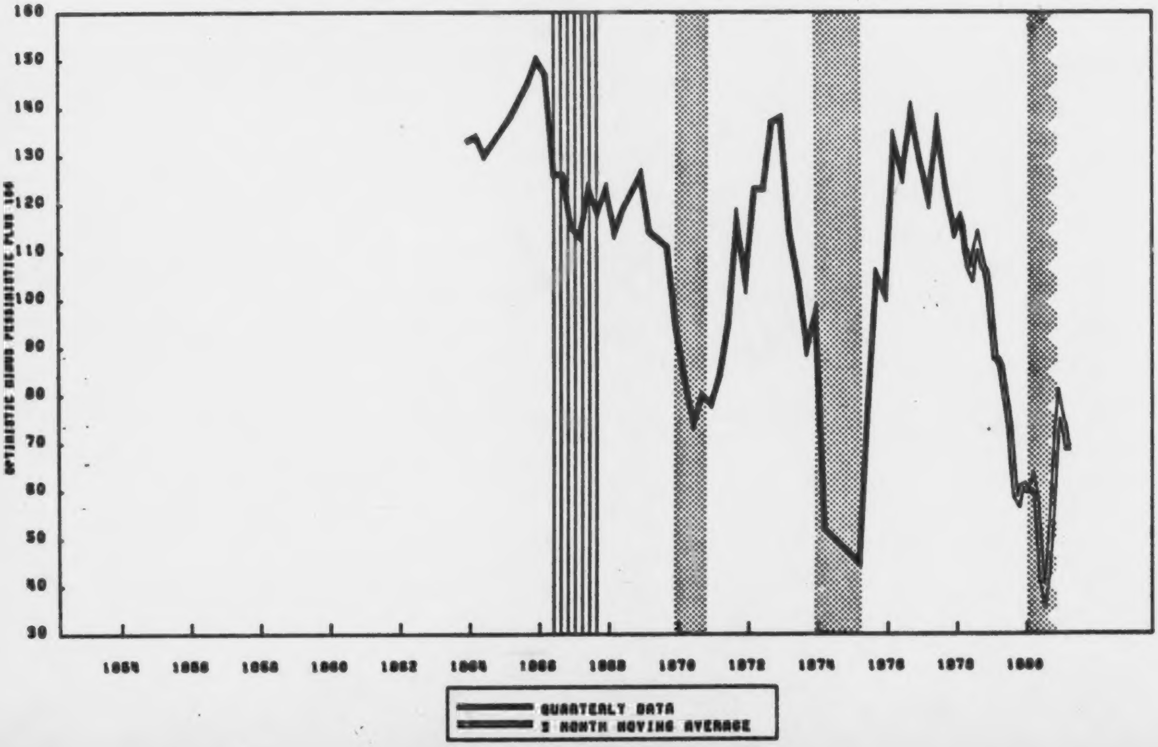

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
TREND:													
Continuous increase (a)	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%
Intermittant increase (b)	12	9	6	5	4	7	9	10	13	14	10	11	12
Remain unchanged (c)	6	6	3	1	2	1	3	6	5	4	5	7	7
Intermittant decline (d)	33	31	32	34	35	37	35	33	28	29	36	30	33
Continuous decline (e)	22	32	41	36	30	23	19	14	14	13	16	14	14
Mixed change (f)	15	14	10	20	23	26	23	23	23	24	21	27	21
DK,NA	4	5	4	3	5	4	6	5	8	5	7	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

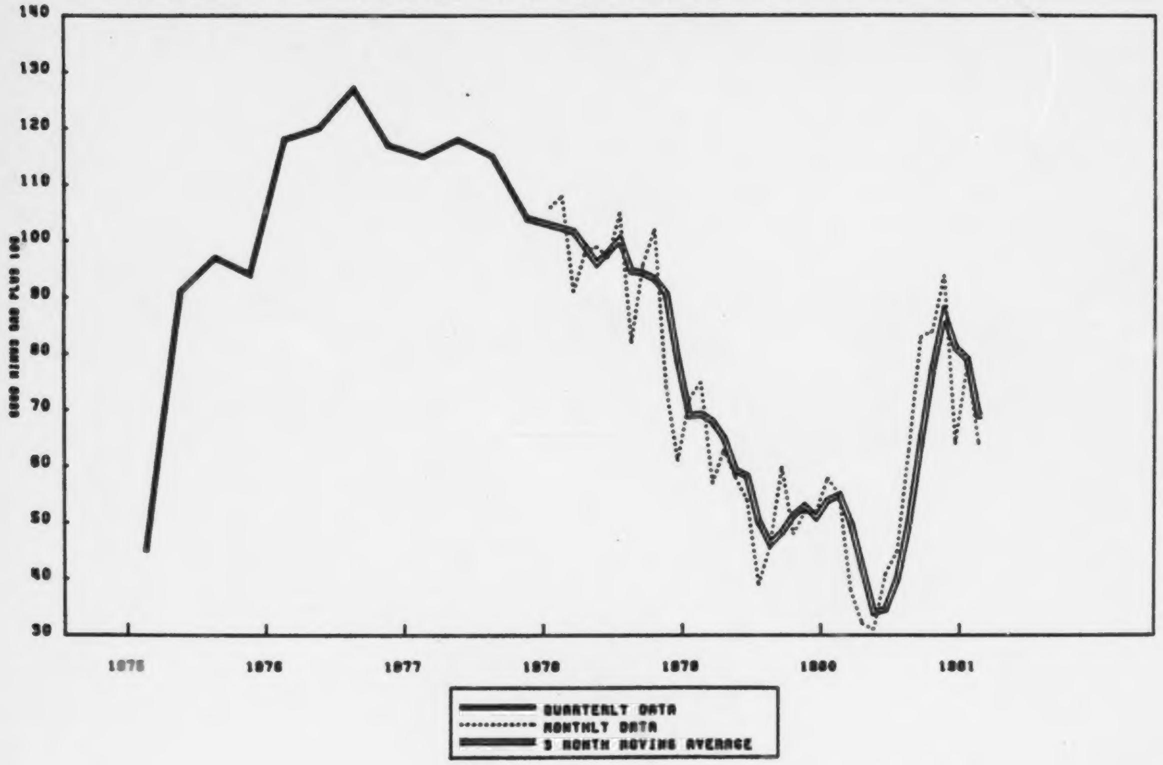

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

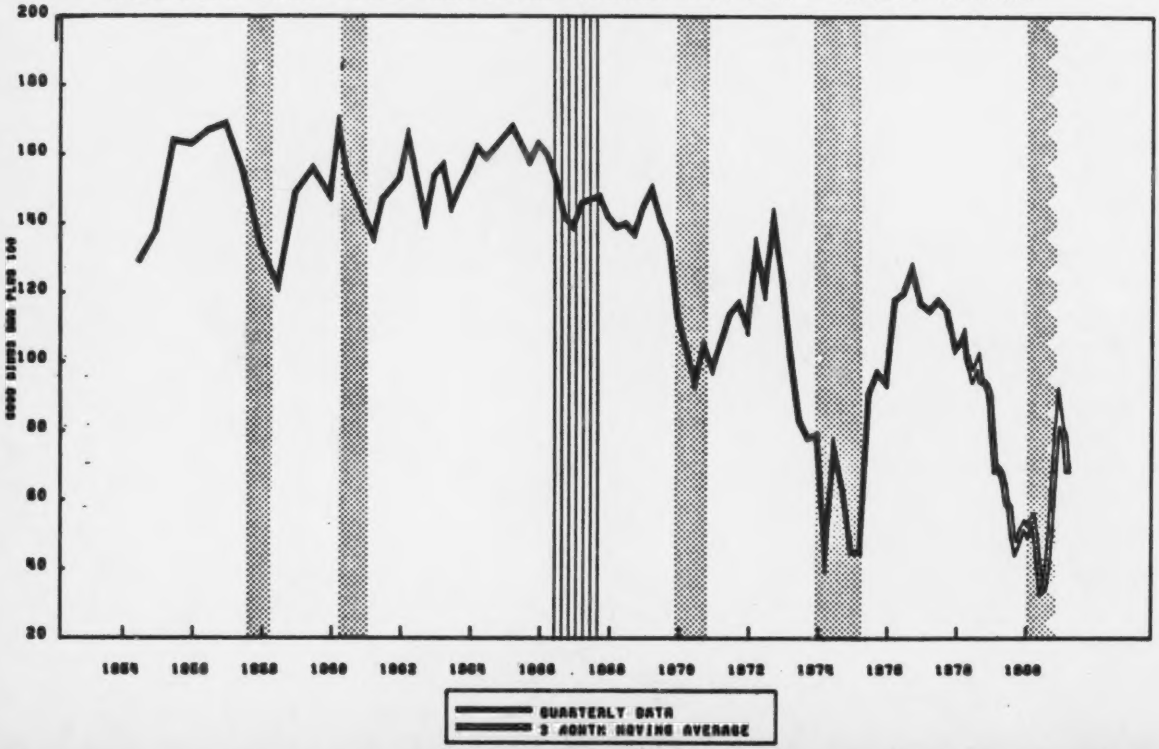

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIMES	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	1	2	2	2	2	1	2	2
BAD TIMES	67	76	79	82	75	74	62	52	49	45	62	53	62
DON'T KNOW	5	4	4	3	4	4	7	7	8	8	7	10	6
NOT ASCERTAINED	5	5	5	1	2	2	4	4	8	6	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

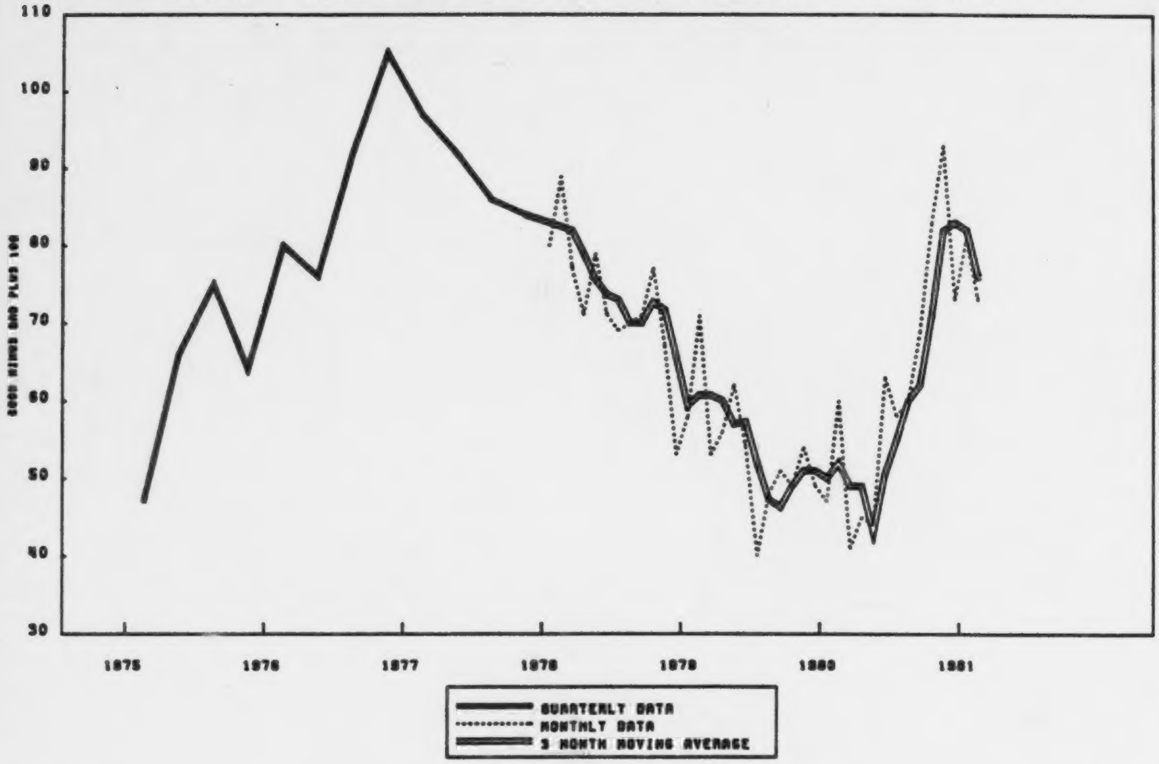

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

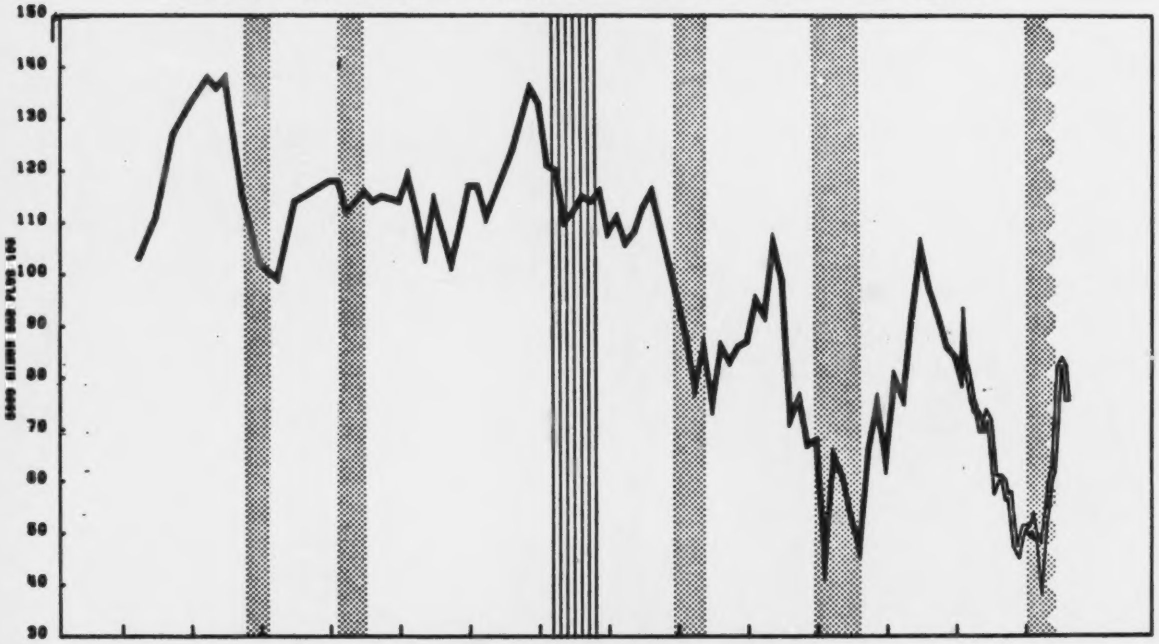

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIMES	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%
UNCERTAIN; GOOD & BAD	14	10	12	10	12	13	16	14	19	15	16	15	12
BAD TIMES	61	72	69	71	59	61	59	56	44	43	52	49	55
NOT ASCERTAINED	4	5	5	4	7	7	6	5	10	6	7	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

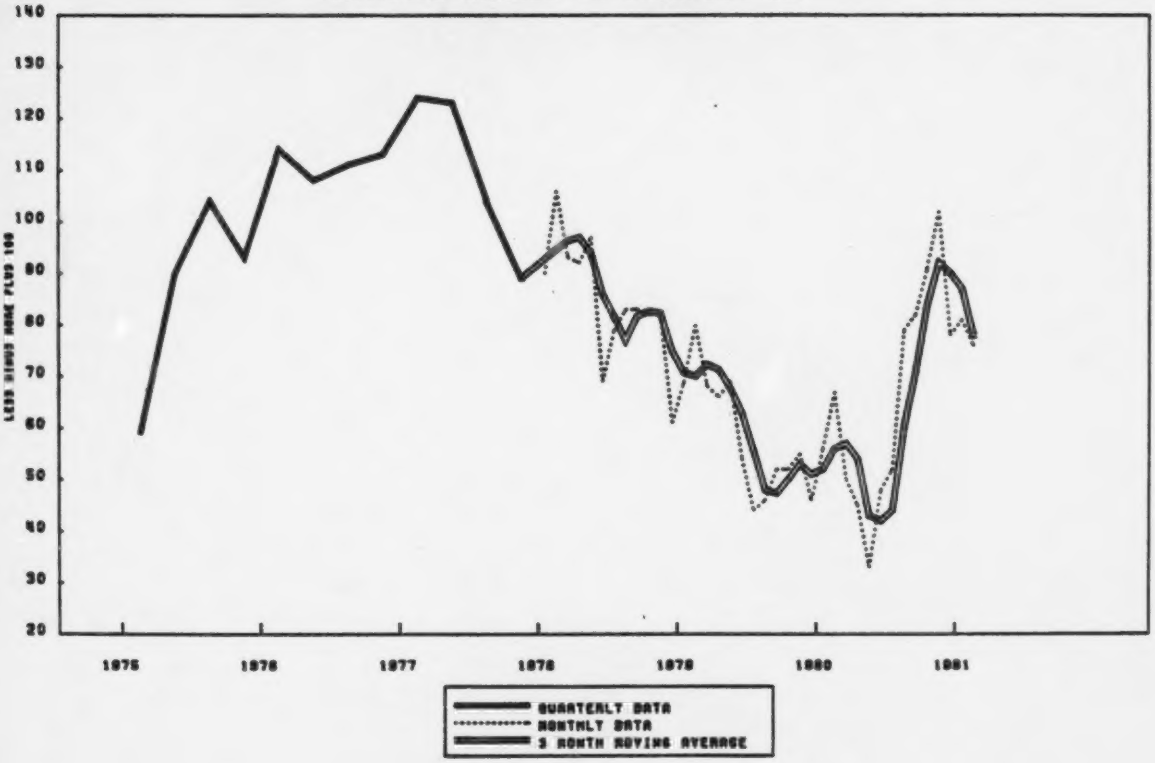

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

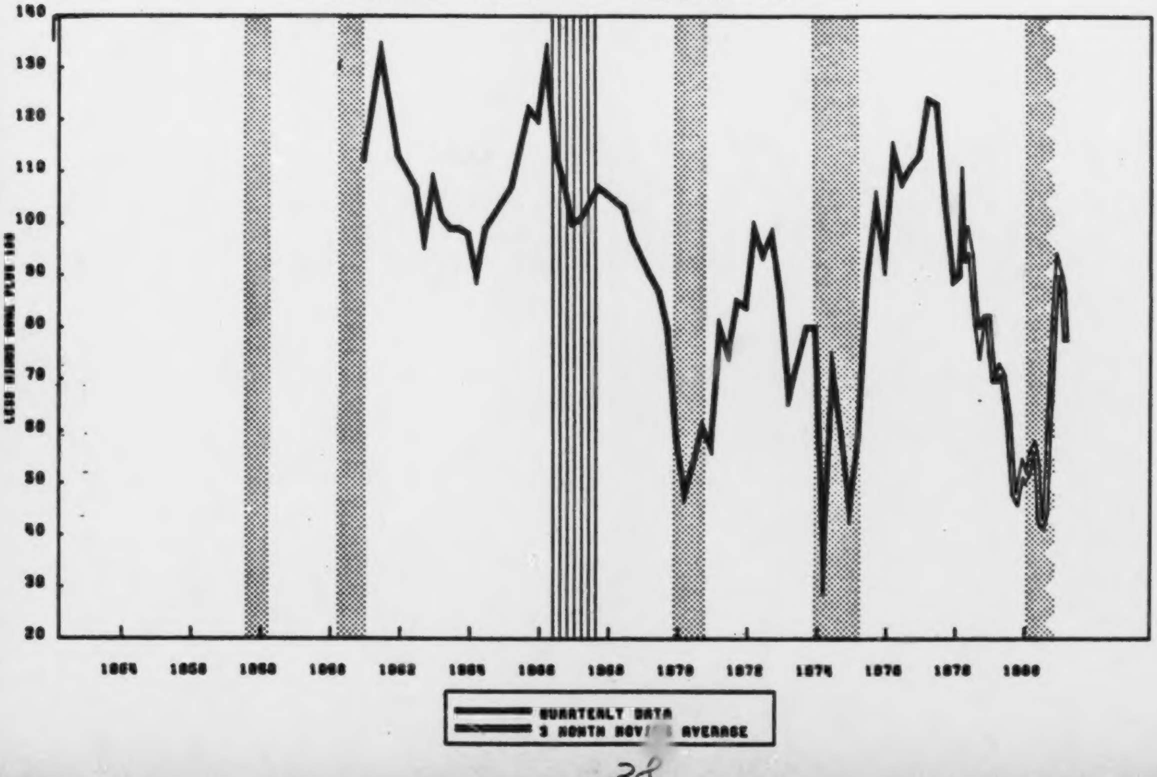

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
LESS	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%
SAME	38	35	29	23	25	30	38	36	46	47	41	41	42
MORE	46	57	62	72	63	59	40	40	30	24	39	38	40
DK,NA	3	1	2	*	1	*	3	2	3	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

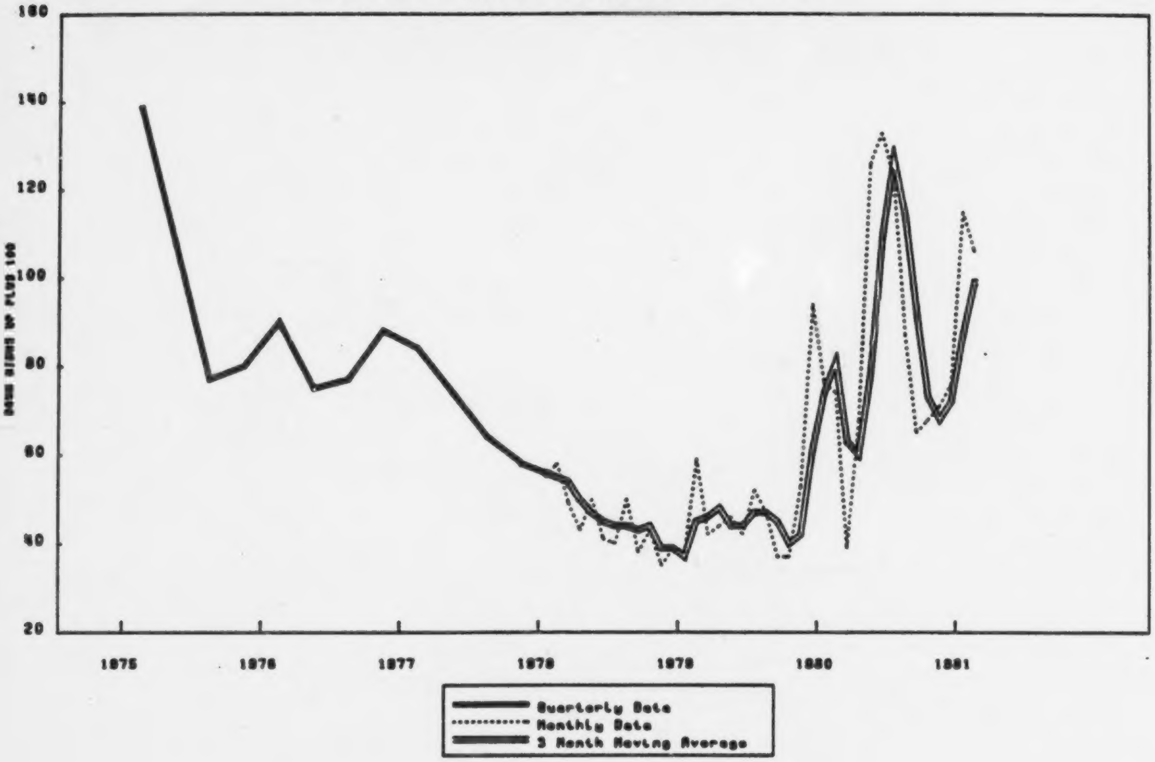

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

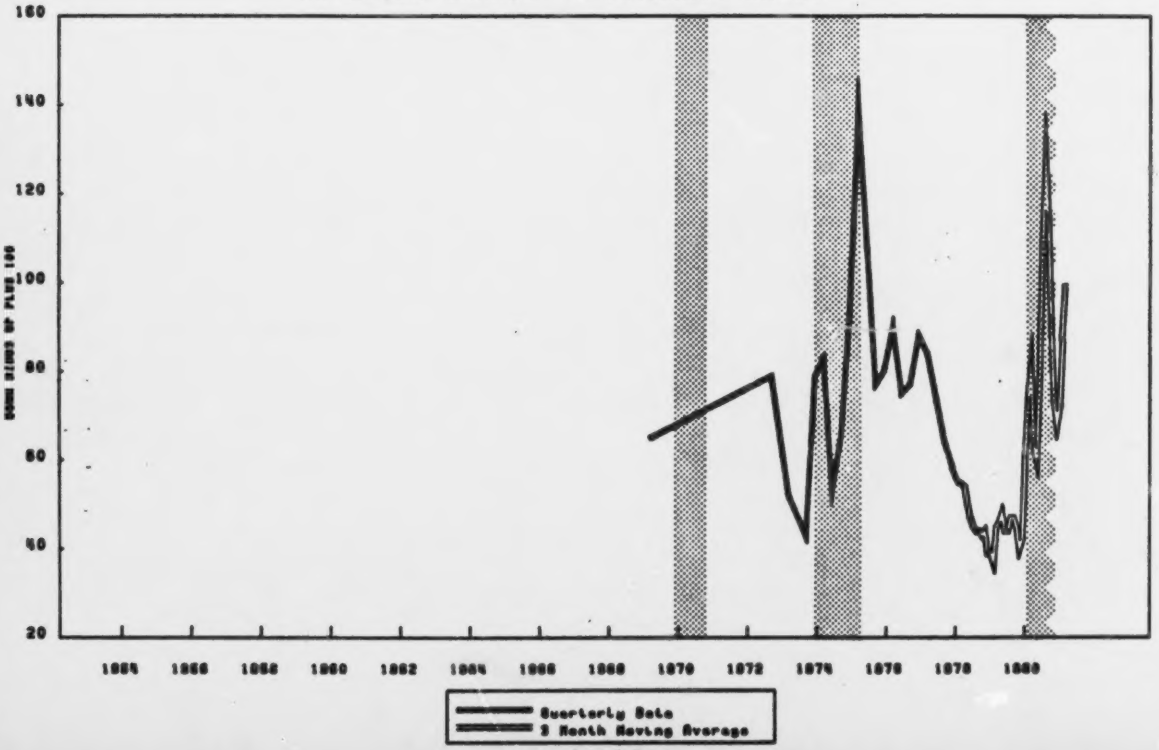

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GO UP	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%
STAY THE SAME	29	16	18	20	22	31	30	25	26	22	14	20	24
GO DOWN	21	10	24	52	54	44	26	18	17	22	29	44	37
DK,NA	3	3	2	2	3	4	5	4	8	5	4	7	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

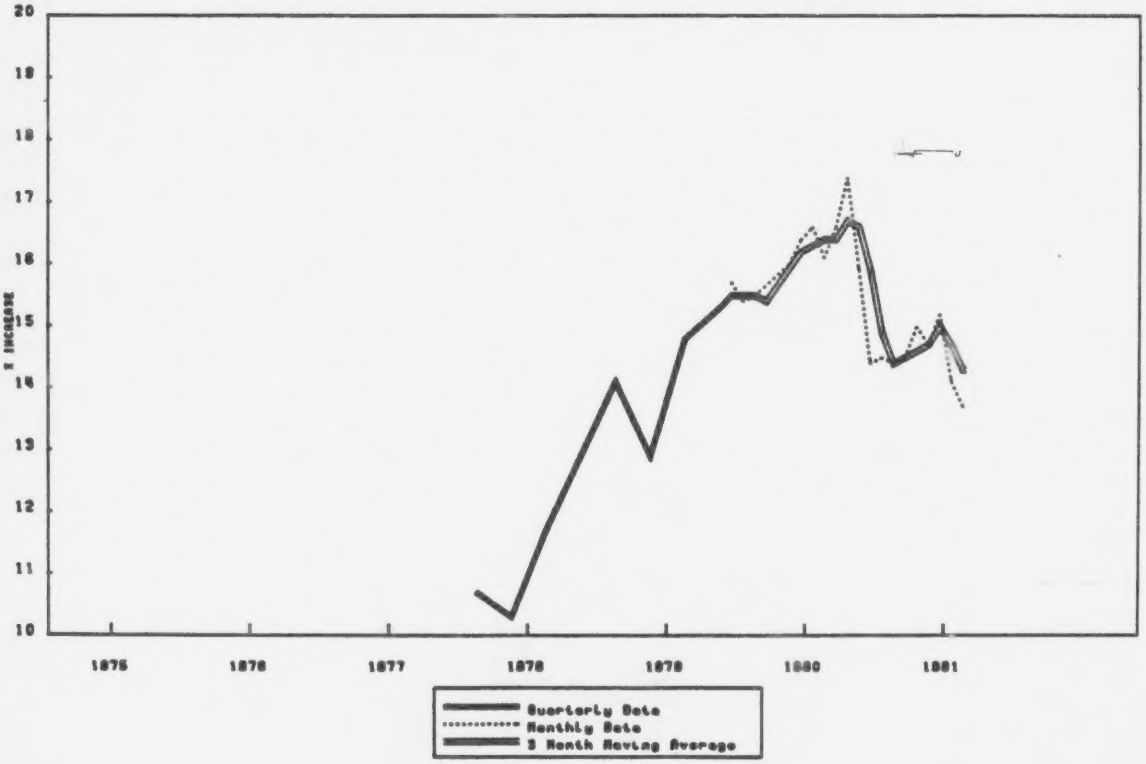

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
SAME OR DOWN	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%
GONE UP BY:													
1-2%	1	2	2	1	1	3	2	2	3	2	2	2	3
3-4%	3	5	3	4	3	5	6	5	4	4	3	4	4
5%	6	6	5	5	6	7	8	7	11	7	9	7	8
6-9%	9	8	9	6	10	11	12	9	11	12	9	8	8
10-14%	28	25	24	27	25	22	20	24	23	27	26	31	32
15% or more	38	41	43	37	33	29	32	31	32	29	32	28	25
DK how much up	12	11	12	15	15	18	15	17	14	16	16	17	17
DK,NA	*	*	*	*	1	1	1	1	*	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7
VARIANCE	149	167	179	175	140	168	160	151	169	161	158	130	128
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

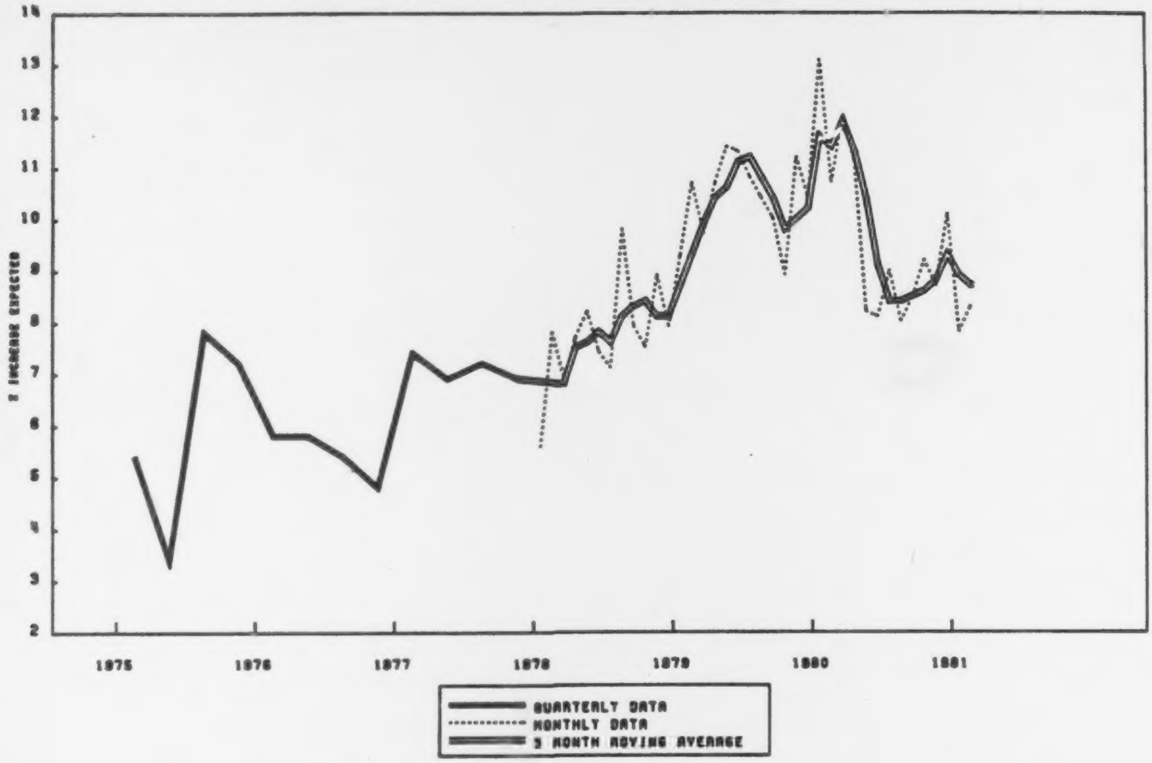

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

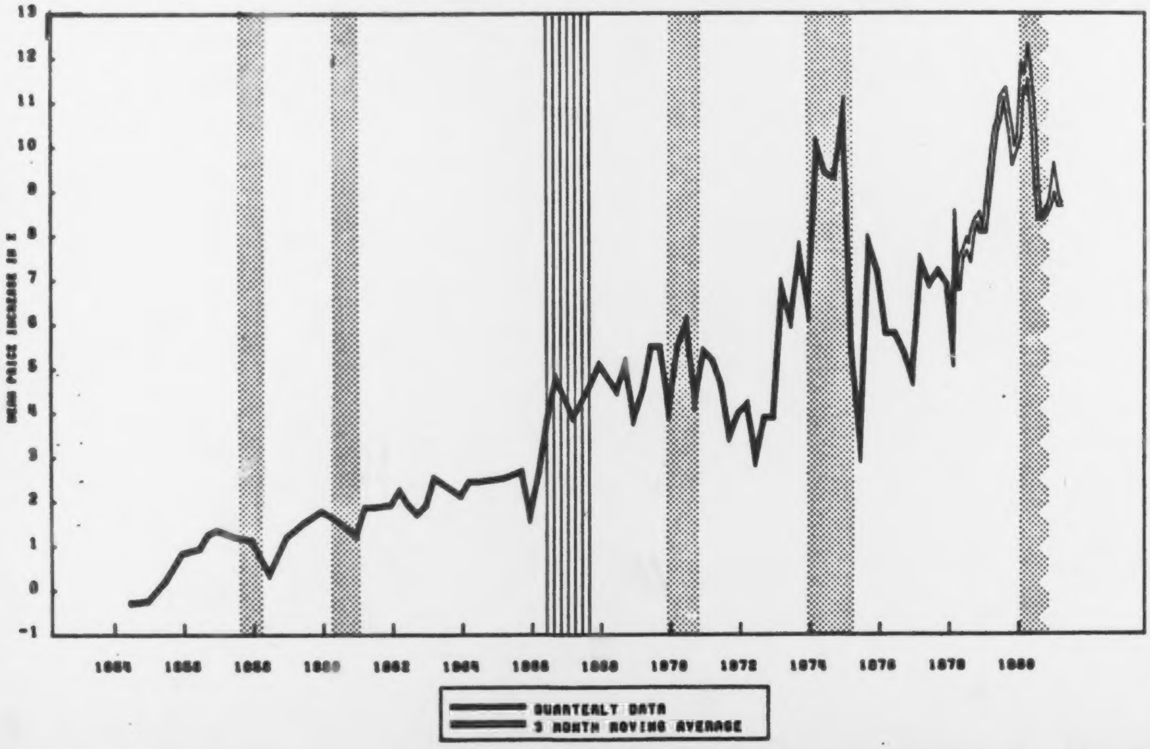

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
SAME OR DOWN	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%
WILL GO UP BY:													
1-2%	4	3	2	1	3	3	6	5	3	3	3	3	5
3-4%	4	4	3	4	6	5	7	5	6	5	5	6	9
5%	11	8	7	9	7	8	11	11	10	8	9	7	9
6-9%	12	9	8	9	10	10	12	10	10	12	11	12	12
10-14%	31	26	24	17	20	21	24	23	24	20	25	28	23
15% or more	19	27	25	18	14	15	10	13	16	14	18	9	12
DK how much up	10	7	9	10	10	13	11	13	9	11	10	11	10
DK,NA	1	3	2	1	3	3	1	3	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3
VARIANCE	84	122	125	92	89	95	71	68	100	102	107	54	74
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

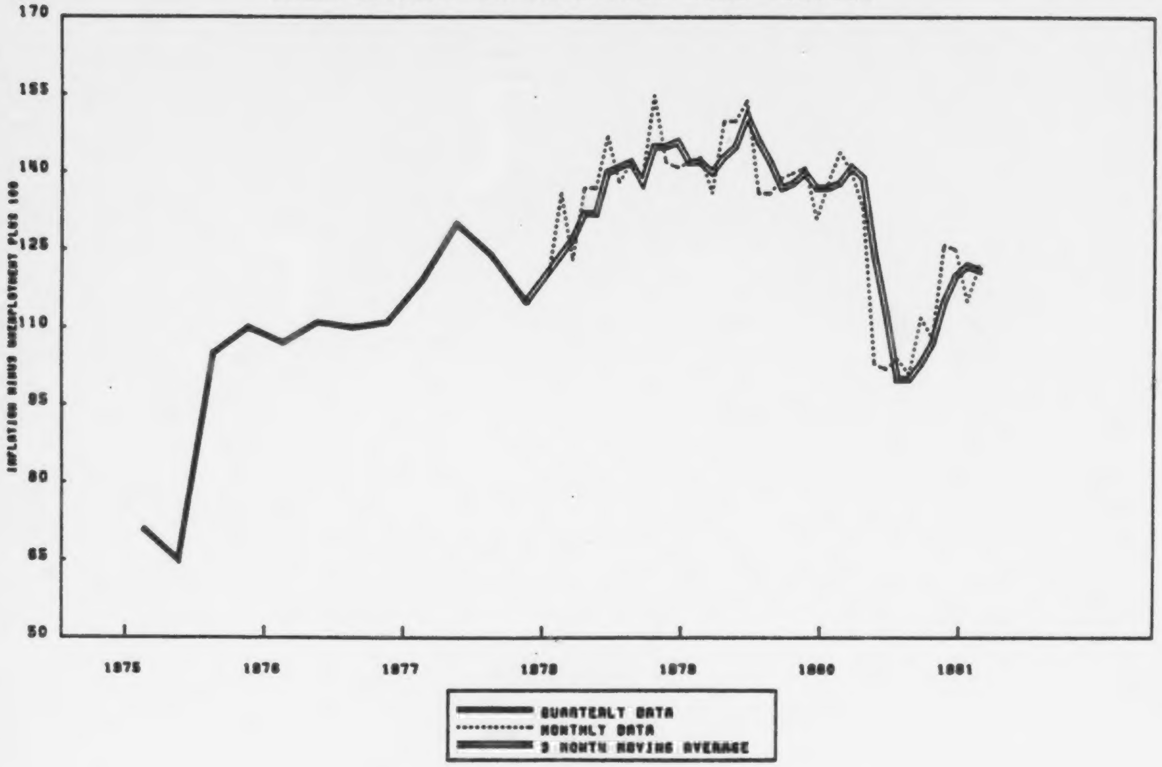

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

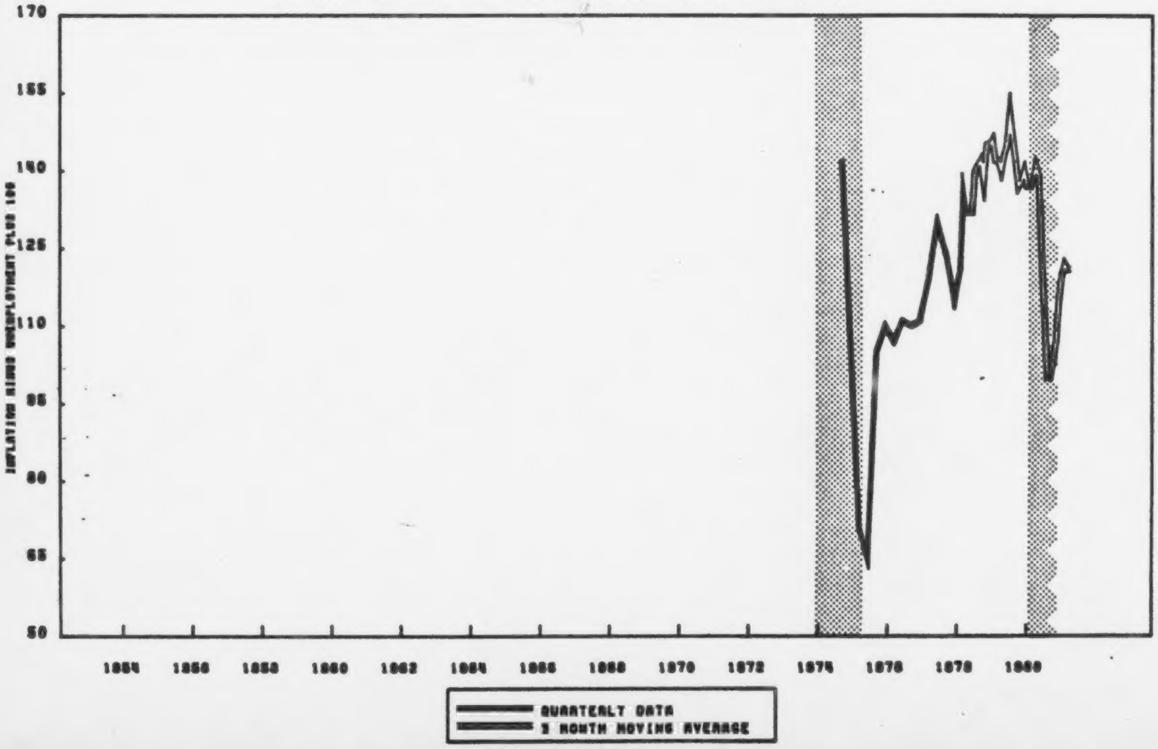

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
UNEMPLOYMENT	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%
BOTH EQUALLY SERIOUS	7	8	14	16	11	11	10	9	11	11	9	14	8
INFLATION	68	65	59	43	45	41	44	50	48	57	57	49	56
DK,NA	1	2	1	1	1	3	3	3	1	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

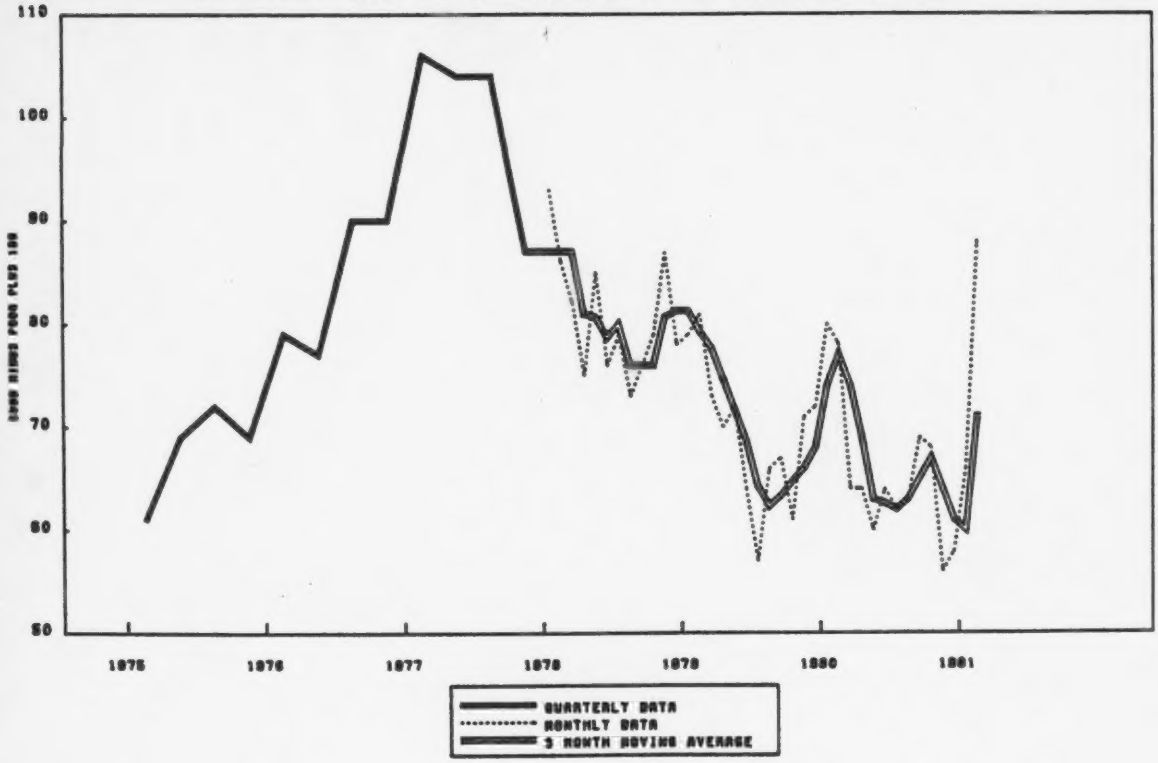

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

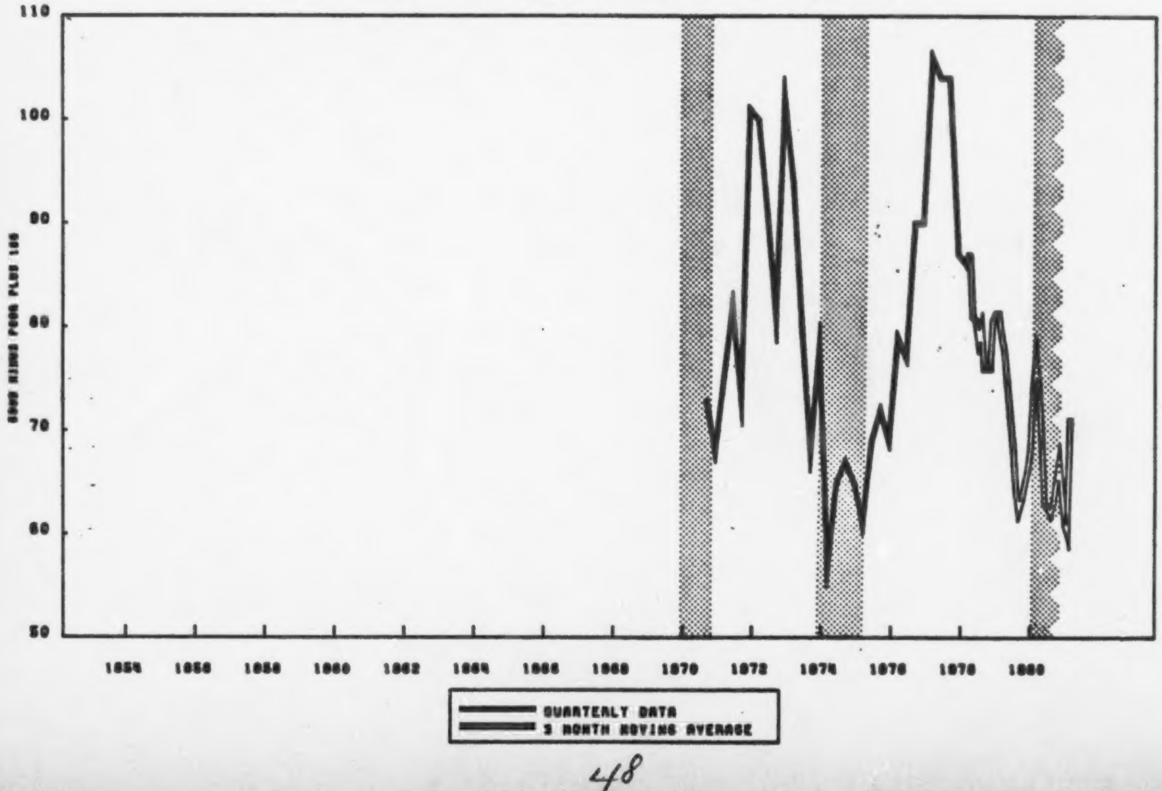

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
A GOOD JOB	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%
ONLY FAIR	51	46	48	48	40	41	45	46	50	41	42	42	40
A POOR JOB	34	43	42	45	46	47	45	41	40	50	49	44	31
DK,NA	3	4	4	2	4	3	2	3	2	3	2	4	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

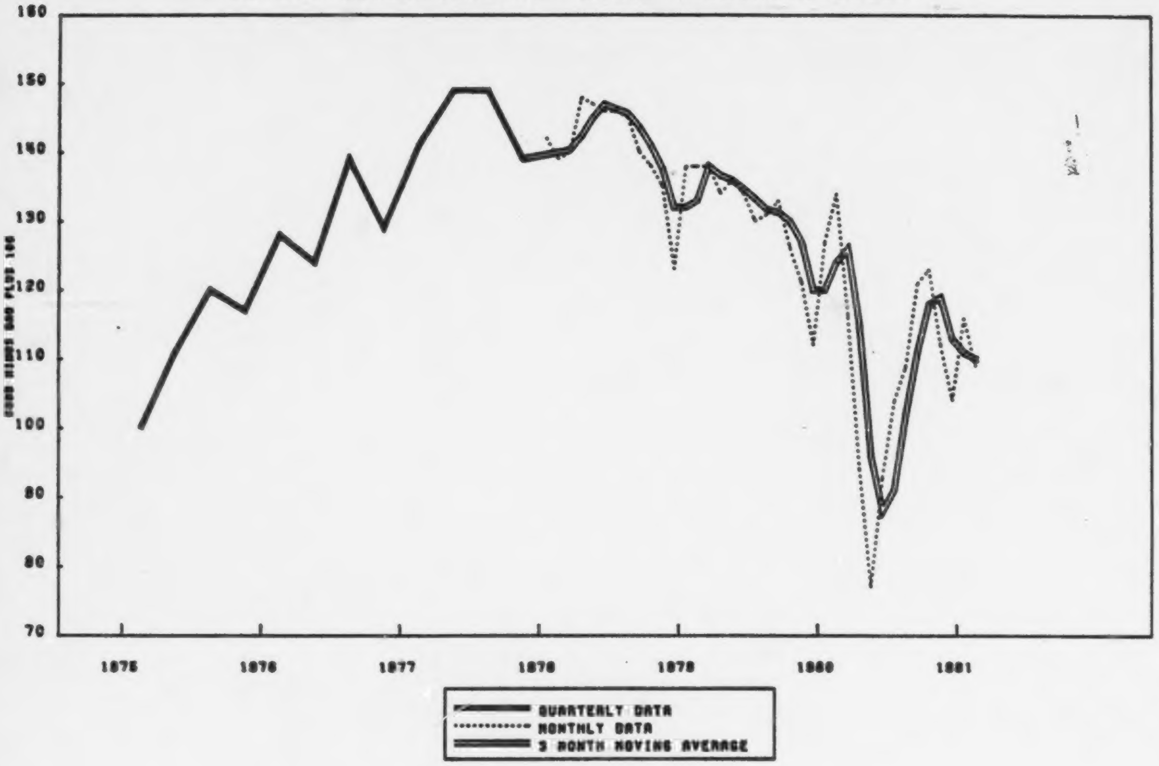

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

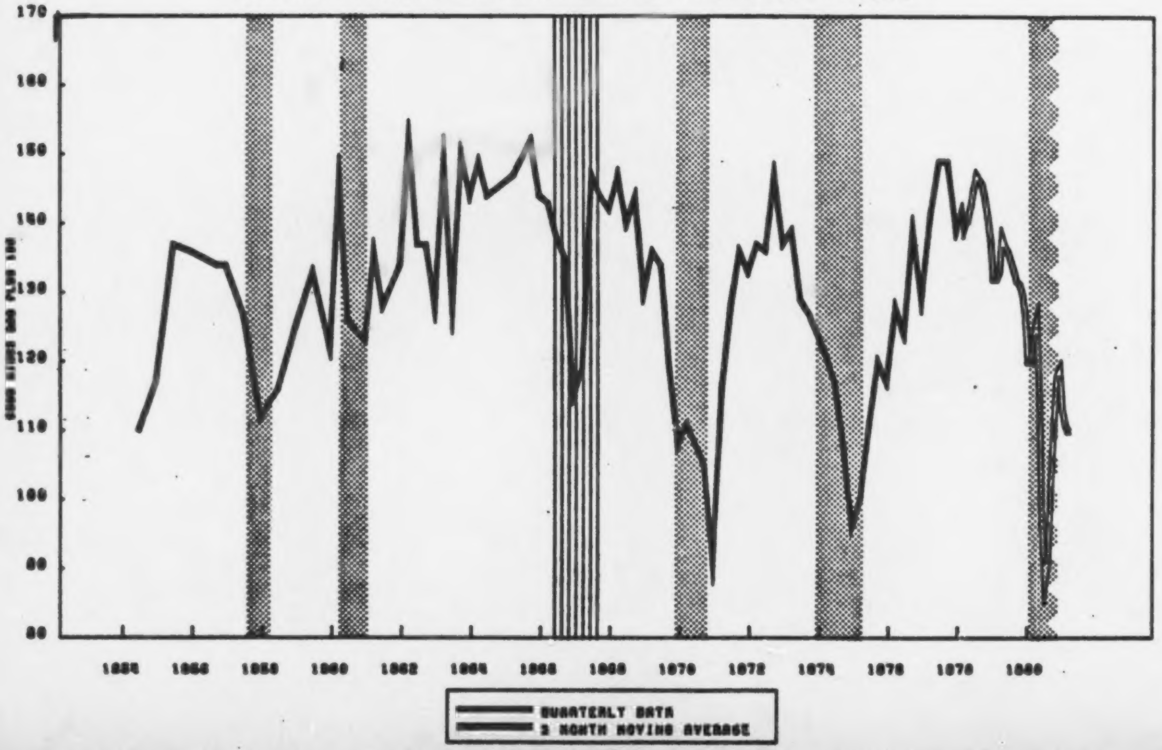

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%
UNCERTAIN, DEPENDS	14	8	12	7	11	16	15	17	13	12	14	16	15
BAD TIME TO BUY	26	38	47	58	48	40	38	31	32	38	41	34	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%
Prices won't come down; are going higher	33	43	28	23	26	22	27	31	30	31	24	28	24
Interest rates low; credit is easy	3	5	3	2	3	5	5	3	4	2	3	2	3
BAD TIME TO BUY:													
Prices are high	16	23	30	34	29	23	23	20	16	23	26	17	24
Interest rates are high; credit is tight	11	19	28	31	24	19	16	13	17	17	22	25	26
Lack of purchasing power	8	12	14	16	15	20	14	12	11	11	11	11	13

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

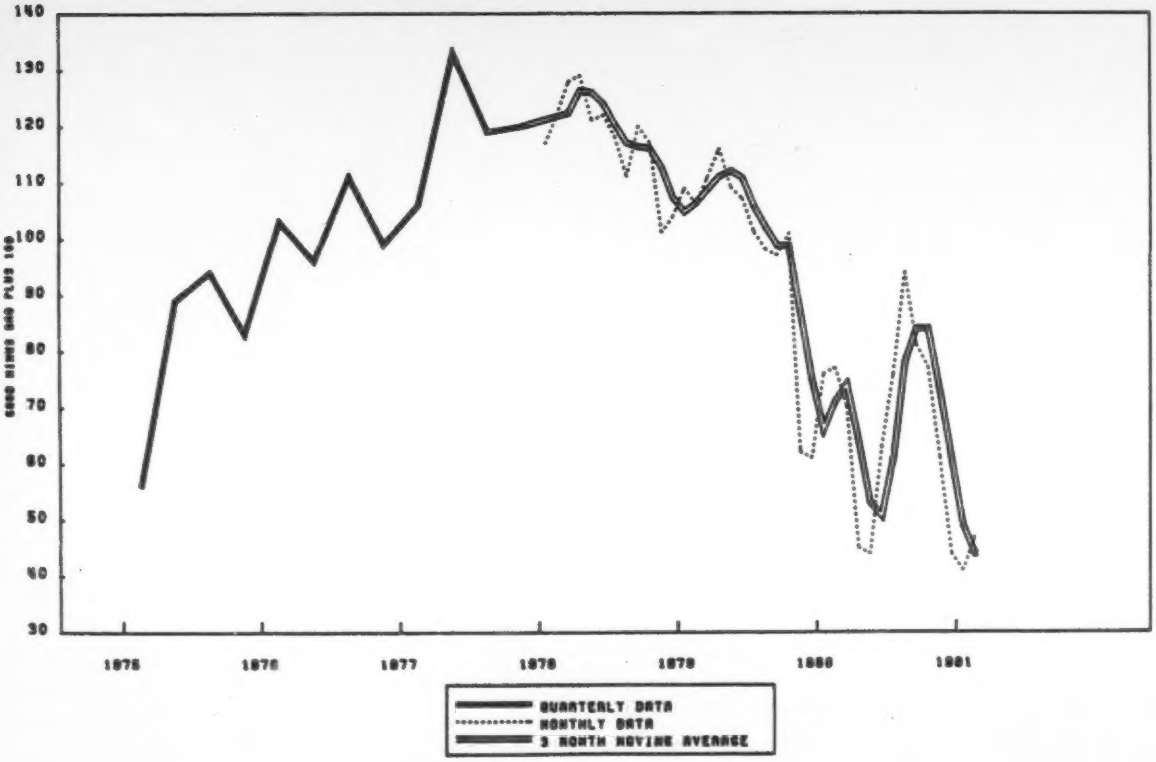

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

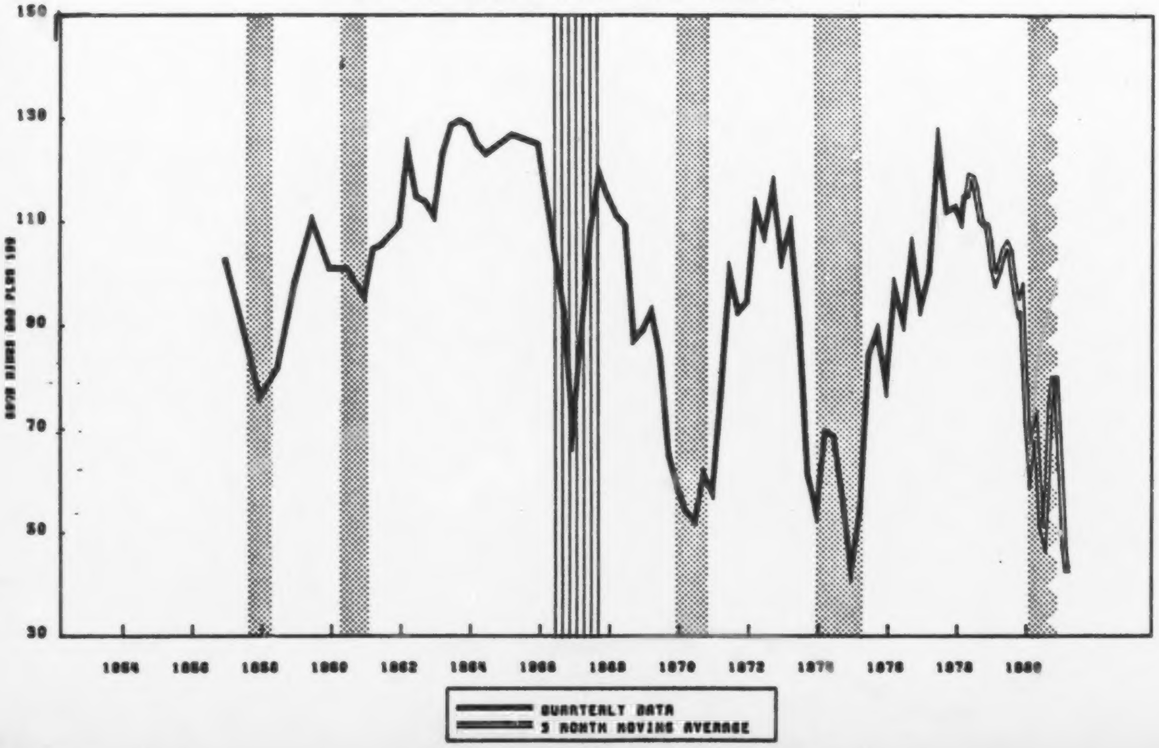

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%
UNCERTAIN, DEPENDS	5	6	7	8	5	8	6	5	5	5	6	5	5
BAD TIME TO BUY	59	62	74	74	66	58	50	57	59	67	75	77	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%
Prices won't come down; are going higher	20		8	8	11	12	14	17	17	16	10	12	10
Interest rates low; credit is easy	9		3	6	16	23	28	22	16	10	6	4	7
Good investment	12		9	7	5	6	10	9	8	7	6	7	10
BAD TIME TO BUY:													
Prices are high	30		31	30	27	30	26	29	27	28	28	32	31
Interest rates are high; credit is tight	56		76	75	66	53	41	50	56	66	77	76	73
Lack of purchasing power	8		8	9	10	15	12	11	12	11	12	10	14

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

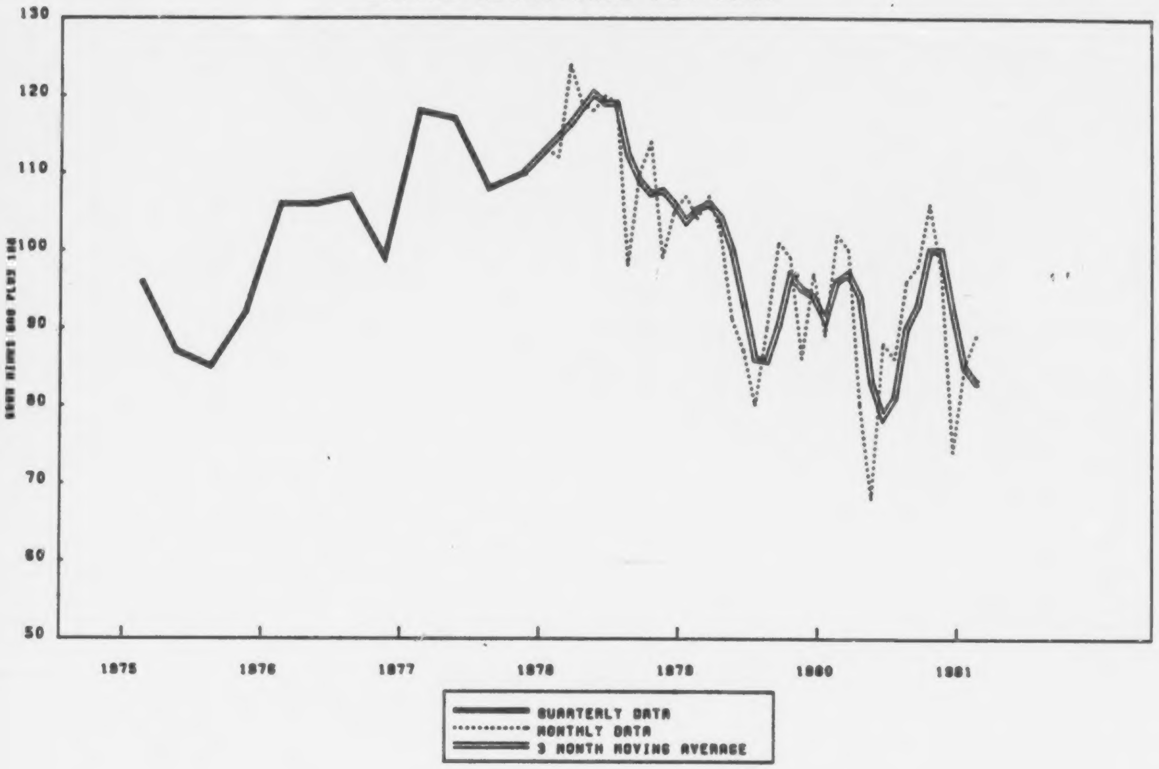

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

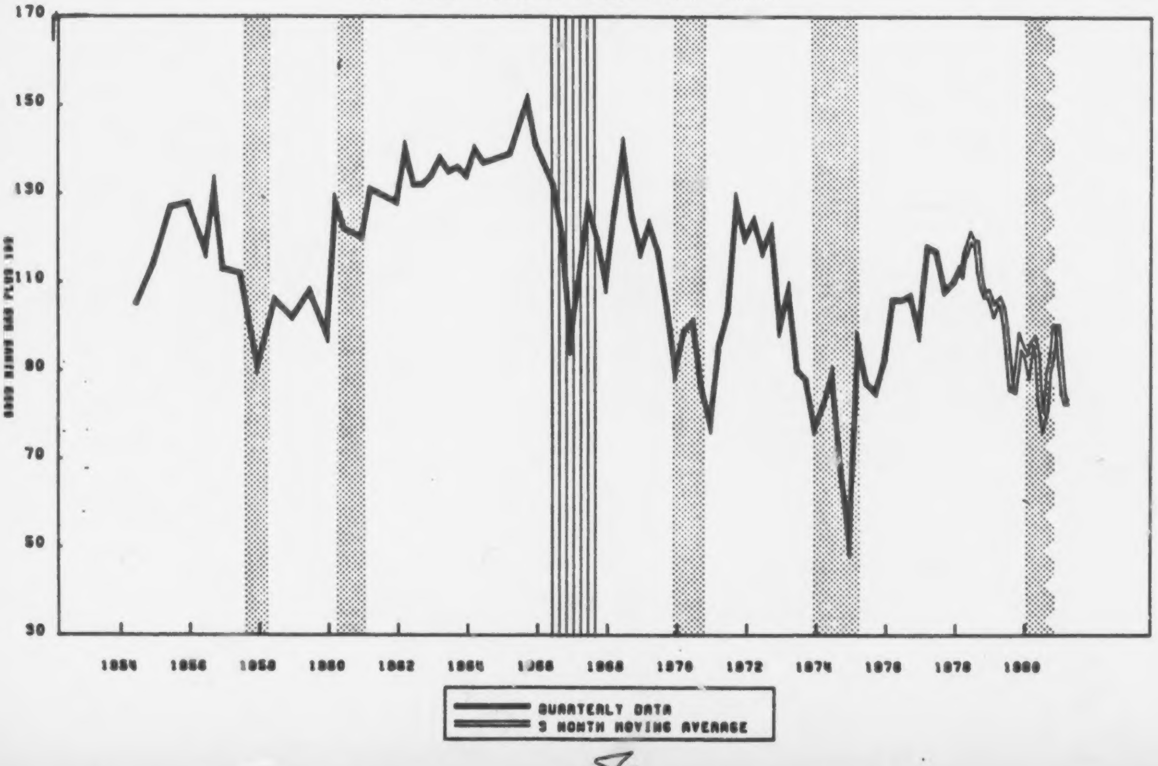

TABLE 30

BUYING CONDITIONS FOR CARS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%
UNCERTAIN; DEPENDS	8	10	10	10	14	14	12	14	16	15	8	13	11
BAD TIME TO BUY	45	45	55	61	49	50	46	44	39	44	59	51	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%
Prices won't come down; are going higher	19	22	10	8	9	13	12	19	17	16	12	13	12
Interest rates low; credit is easy	3	3	4	1	3	4	4	4	3	3	4	5	3
New fuel efficient models	14	13	12	6	5	3	7	9	12	7	5	4	4
BAD TIME TO BUY:													
Prices are high	22	25	32	30	24	27	27	31	23	28	31	33	31
Interest rates are high; credit is tight	14	17	24	29	22	11	11	10	14	17	29	28	27
Lack of purchasing power	4	6	6	7	6	9	9	6	8	7	9	7	7
Price of gas; shortages	13	16	16	15	9	6	5	5	4	4	5	4	8
Poor selection; quality	10	9	8	7	10	13	13	11	13	10	12	9	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROBABLY WILL BUY	20%	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%
CHANCES ARE EVEN	8		7	7	8	5	7	6	7	6	6	8	7
PROBABLY WILL NOT BUY	62		69	67	68	67	61	70	67	66	67	66	62
DK,NA	10		8	13	12	11	16	8	11	11	13	11	15
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	28%	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%
PURCHASE TYPE:													
Buy new	14		11	7	9	10	8	11	12	11	8	11	10
Buy used	12		9	9	7	11	12	9	7	9	9	8	10
Lease	1		2	1	1	1	1	1	2	*	1	1	1
DK,NA	1		1	3	3	*	2	1	1	3	2	3	2
PURCHASE TIMING:													
Next 3 months	2		4	2	1	5	3	1	3	4	2	3	1
Next 4-6 months	7		6	6	6	5	5	6	4	3	3	5	6
Next 7-9 months	7		6	5	5	3	4	2	7	6	5	6	7
10 months or more	6		2	3	5	4	4	4	4	4	5	4	3
DK,NA	6		5	4	3	5	7	9	4	6	5	5	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	62%	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%
PURCHASE TYPE:													
Would buy new	36		40	39	38	40	35	38	44	38	37	35	33
Would buy used	24		26	25	27	24	24	30	20	26	27	29	28
DK,NA	2		3	3	3	3	2	2	3	2	3	2	1
PURCHASE TIMING:													
Less than 2 years	7		8	7	6	4	6	5	5	6	7	6	5
2 years	21		14	17	21	20	18	23	20	23	20	17	23
3 years	7		12	10	11	10	8	12	15	11	12	12	9
4 years or more	17		20	19	20	21	21	18	15	15	18	19	16
Indefinite	3		6	4	3	4	4	4	3	5	3	5	3
DK,NA	7		9	10	7	8	4	8	9	6	7	7	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U7475-2 B 3/10/81

March 4, 1981

FEBRUARY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SMALL DECLINE IN CONSUMER SENTIMENT

** In the February 1981 Survey, the Index of Consumer Sentiment was 66.9, down 4.5 Index-points from January 1981, and 10 Index-points below the three-month earlier reading in November 1980. Overall, the Index of Consumer Sentiment in February 1981 was identical to the February 1980 reading. The majority of the decline recorded in the February 1981 survey was recorded early in the month. At the close of February, following President Reagan's national addresses, the Index improved to 75.0.

** Among families with incomes of $20,000 or more, the Index of Consumer Sentiment remained virtually unchanged in February 1981 (74.2) from January 1981 (74.8), but was significantly below the three month earlier reading in November 1980 (82.7). The recent decline was sharpest among respondents aged 55 or older, with the Index value falling from 67.9 in January to 59.6 in February 1981.

** Among all families, 26 percent reported that they expected good times in the economy as a whole during the next 12 months, down from 31 percent recorded in January 1981, and somewhat above the 22 percent recorded in February 1980. The majority continue to expect bad times financially in the economy as a whole in the February 1981 survey (62 percent), up from 53 percent in January 1981, and somewhat below the 67 percent recorded in February 1980.

** Interest rates, unemployment, and price expectations were largely unchanged in the February 1981 survey from one month earlier. Among all families, 40 percent expected unemployment to increase in February 1981 (up from 38 percent in January), 31 percent expected interest rates to increase (up from 29 percent in January), and consumers expected the inflation rate to average 8.3% during the year ahead (up from 7.8% in January).

* * *

The February 1981 survey indicates that consumer sentiment has declined on balance during the past three months. At the present time, there is a sizable difference between evaluations of current economic conditions and expectations for future change. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are very unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general.

Favorable buying attitudes have remained near record low levels due to high interest rates--especially in the housing and car markets. In addition, the financial strains on consumers have led them to become more reluctant to incur new debt or to draw on savings in order to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

Monitoring Economic Change Program
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Business Conditions

Following improvements during mid-1980, consumers' evaluations of current business conditions have remained largely unchanged during the past three months. Among all families, 68 percent in February 1981 felt business conditions were now worse than those of a year earlier, down somewhat from the 71 percent recorded in January 1981, and just above the 67 percent recorded in February 1980. During most of the past year the proportion of respondents who felt business conditions had worsened has ranged from 65 to 80 percent.

Although the near majority (46 percent) expected business conditions to remain largely unchanged during the year ahead, twice as many consumers expected business conditions to improve rather than worsen in the year ahead (34 percent versus 16 percent). In comparison with early 1980, this represents a substantial improvement, since at that time more families expected deterioration than improvement in business conditions (27 percent versus 21 percent). The most frequent reasons respondents gave for expecting improved business conditions involved spontaneous references to the economic policies proposed by the Reagan administration. In February 1981, 32 percent of all families mentioned the election of President Reagan and changes in government economic policy. Since the November 1980 post-election survey, each monthly survey has averaged nearly one-in-three respondents who expected improved business conditions because of changes in government economic policies.

When asked whether they expected a reduction in personal income taxes in the February 1981 survey, 58 percent of all respondents replied that they expected Congress to pass such a law, significantly above the 41 percent recorded in January, and more than twice the 25 percent recorded in the pre-election October 1980 survey (see Table A).

TABLE A

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981	February 1981
Yes	25%	46%	41%	58%
No	64	42	43	29
Uncertain; don't know	10	11	15	11
Not ascertained	1	1	1	2
Total	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

Unfavorable long-term business conditions were also expected by the majority in the February 1981 survey. Among all families, 55 percent reported that they expected bad times in the economy as a whole during the next five years, up from 49 percent in January 1981, but below the 61 percent recorded in February 1980.

Price Expectations Moderate

Price expectations continued to be maintained at lower levels in early 1981. Among all families, 35 percent expected price increases of 10% or more during the year ahead, largely unchanged from the 37 percent recorded in January, but significantly below the 50 percent who expected inflation to exceed 10% in February 1980. On average, consumers expected the rate of inflation to average 8.3% in February 1981, up somewhat from the 7.8% recorded in January, and significantly below the 10.7% recorded in February 1980.

Long-term price expectations also declined in early 1981. After rising to a high of 10.5% in February 1980, the expected average annual price increase during the next 5-10 years fell to 7.2% in February 1981 (see Table B). Since a year ago, when both short and long-term price expectations were nearly identical, long-term price expectations have fallen 3 percentage points compared with a 2 percentage point decline in short-term price expectations.

TABLE B

SHORT AND LONG-TERM PRICE EXPECTATIONS

Expected Annual Increase in Prices During Next ...	Feb. 1975	Feb. 1977	Feb. 1979	Feb. 1980	Feb. 1981
One year	8.7%	8.4%	10.4%	10.7%	8.3%
5-10 years	4.2	6.6	8.4	10.5	7.2

The questions asked were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" "By about what percent do you expect prices go go (up/down) on the average, during the next 12 months?"
"What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" "About what percent per year do you think prices will go (up/down) on the average during the next 5 to 10 years?"

The unemployment rate was expected to increase during the year ahead by 40 percent in February 1981, up from 38 percent in January. Compared with November 1980, when unemployment was more frequently expected to decline than to increase (26 versus 24 percent), unemployment expectations were significantly less favorable in February 1981, with increases expected twice as frequently as expected declines (40 versus 16 percent).

The recent shifts in inflation and unemployment expectations have prompted consumers to give relatively greater emphasis to unemployment rather than inflation as the more serious economic hardship facing the nation. Although more families single out inflation than unemployment as the more serious economic hardship in February 1981, the proportion who singled out inflation has fallen from 68 percent in February 1980 to 56 percent in February 1981, while the proportion who feel unemployment to be the more serious economic hardship has risen from 24 percent in February 1980 to 34 percent in February 1981.

Personal Finances

Following modest improvement recorded during mid-1980, by February 1981 consumer evaluations of their current financial situation returned to near the record low levels first established in early 1980. Consumer evaluations of their own financial situation were largely unchanged in the February 1981 survey from one month earlier, and one year earlier readings. In February 1981, 47 percent of all families stated that they were worse off financially than a year ago, largely unchanged from the 45 percent recorded in January 1981 and 45 percent recorded in February 1980. In comparison, just 27 percent of all families reported that they were better off financially than a year earlier, largely unchanged from the 25 percent recorded in January 1981, and 30 percent recorded in February 1980. When asked to explain why their financial situation had changed during the past year, fewer respondents mentioned receiving income increases in February 1981 (25 percent) than in February 1980 (31 percent), while complaints of lowered living standards due to high prices were as frequent in February 1981 (47 percent) as in February 1980 (45 percent).

In contrast to their current financial situation, where unfavorable evaluations dominated responses, families expected their financial situation to improve during the year ahead more frequently in February 1981 (26 percent) than to worsen (20 percent). In addition, expected changes in personal finances were more favorable in early 1981 than in early 1980, when respondents somewhat more frequently expected a worsening financial situation (26 percent) than improvement (25 percent).

Expected changes in nominal family income remained at relatively unchanged levels during the past year. In February 1981, 27 percent of all families expected income increases of 10% or more during the year ahead (29 percent in February 1980), while 35 percent expected their income to remain unchanged or decline (34 percent in February 1980). The maintenance of nominal income expectations, coupled with some expected moderation in inflation, has resulted in some improvement in real income expectations.

When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the February 1981 survey. The proportion of families who reported that they were not especially reluctant to use savings to make major purchases was 26 percent in February 1981, down from 38 percent in February 1980. The proportion of families who were especially reluctant to use savings rose to 69 percent in February 1981 from 54 percent in February 1980 (see Table C). On balance, families were more reluctant to use savings for major purchases in early 1981 than at any time in the prior five years.

TABLE C

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use savings; not especially reluctant	33%	37%	32%	32%	38%	26%
Pro-con	6	3	3	3	1	3
Not okay to use savings; especially reluctant	59	56	62	63	54	69
DK, NA	2	4	3	2	7	2
Total	100%	100%	100%	100%	100%	100%
Cases	1106	1096	1037	1150	966	637

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

Families are also more reluctant to incur new debt to make major purchases in early 1981 than during the prior five years (see Table D). Among all families, just 12 percent reported in February 1981 that they were not reluctant to use credit, down from 19 percent in February 1980. Families who reported that they were especially reluctant to use credit rose to 85 percent in February 1981 from 80 percent in February 1980.

TABLE D

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use credit; not especially reluctant	20%	22%	20%	16%	19%	12%
Pro-con	5	2	2	1	1	1
Not okay to use credit; especially reluctant	74	71	77	82	80	85
DK, NA	1	5	1	1	*	2
Total	100%	100%	100%	100%	100%	100%
Cases	1269	1203	1135	1228	1019	668

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

Buying Conditions

Small improvements in attitudes toward buying conditions for cars and houses were recorded in the February 1981 survey from month earlier readings, while small declines were recorded for attitudes toward buying conditions for hosuehold durables. Among all families, 39 percent reported favorable buying conditions for cars (up from 36 percent in January), 21 percent reported favorable buying conditions for houses (up from 18 percent in January), and 47 percent reported favorable conditions for household durables (down from 50 percent in January 1981). For each market, however, buying attitudes were significantly less favorable in February 1981 than in February 1980. High interest rates and tight credit conditions were the major reasons given for unfavorable buying conditions during the past year. The differences in the proportion holding favorable buying attitudes toward the household durables market (47 percent), the auto market (39 percent), and the housing market (21 percent) reflect the frequency of mention of tight credit and high interest rates in the household durables market (26 percent), the auto market (27 percent), and the housing market (73 percent).

Favorable attitudes towards buying conditions for houses posted a slight increase in the February 1981 survey (21 percent) from month earlier figures (18 percent). Unfavorable attitudes also fell slightly, to 74 percent, from the record all time high of 77 percent recorded in January 1981. Overall, buying attitudes towards houses remain substantially less favorable than year ago figures, and remain near all time record low levels. In explaining their views, three-in-four families mention high interest rates.

The impact of tight credit conditions and high interest rates can be easily traced in the automobile market. In May 1980, when a high of 61 percent rated car buying conditions as unfavorable, the frequency of references to high interest rates also reached a high of 29 percent. Subsequently, as unfavorable attitudes toward the automobile market fell from 61 percent in May to 39 percent in October 1980, references to high interest rates fell from 29 to 10 percent in September 1980. The increase in interest rates in late 1980 and the subsequent declines recorded in early 1981 were reflected by declines in favorable car buying attitudes in late 1980 followed by modest improvements.

* * *

The February 1981 survey included 668 interviews conducted between January 30 and February 24, 1981.

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Surveys of Consumer Attitudes

Survey Research Center
University of Michigan

Institute for Social Research

TABLES AND CHARTS

MARCH 1981

The March 1981 survey is the 128th in a longitudinal series of survey of consumer attitudes conducted during the last thirty years.The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior.This type of information is essential for for forcasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions . One highlights recent changes in the monthly observations, compared with a simple three month moving average . The second chart gives historical data , using quarterly results prior to 1978 and the moving average of monthly results since then.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

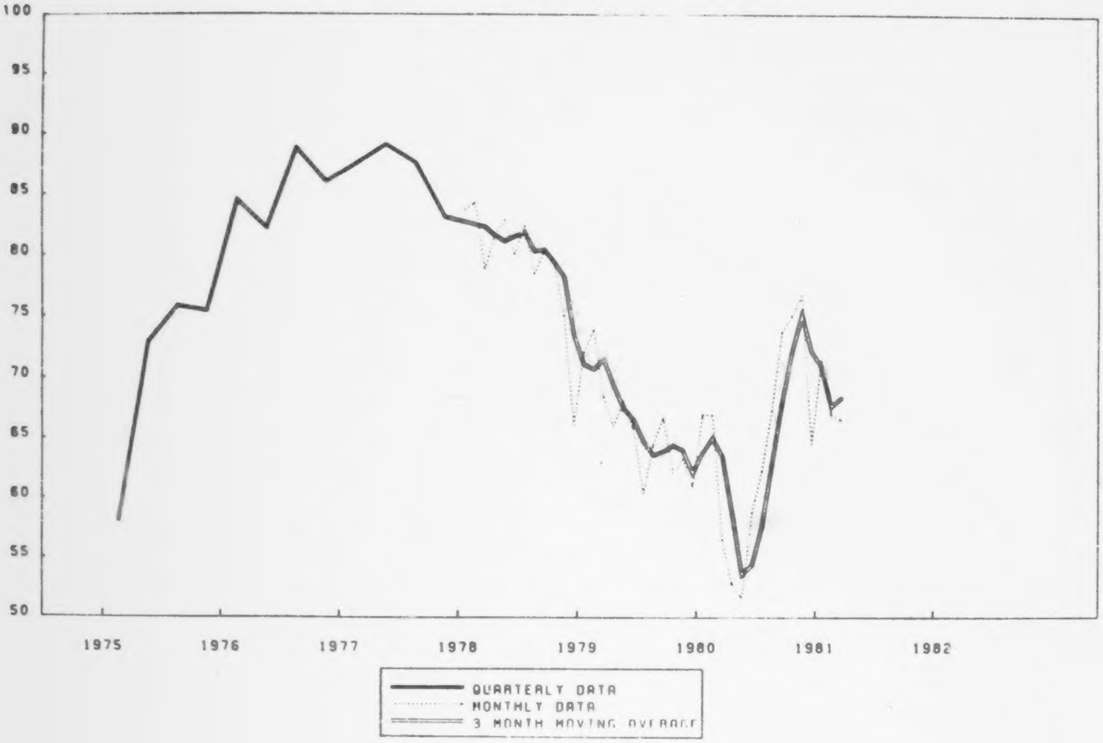

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

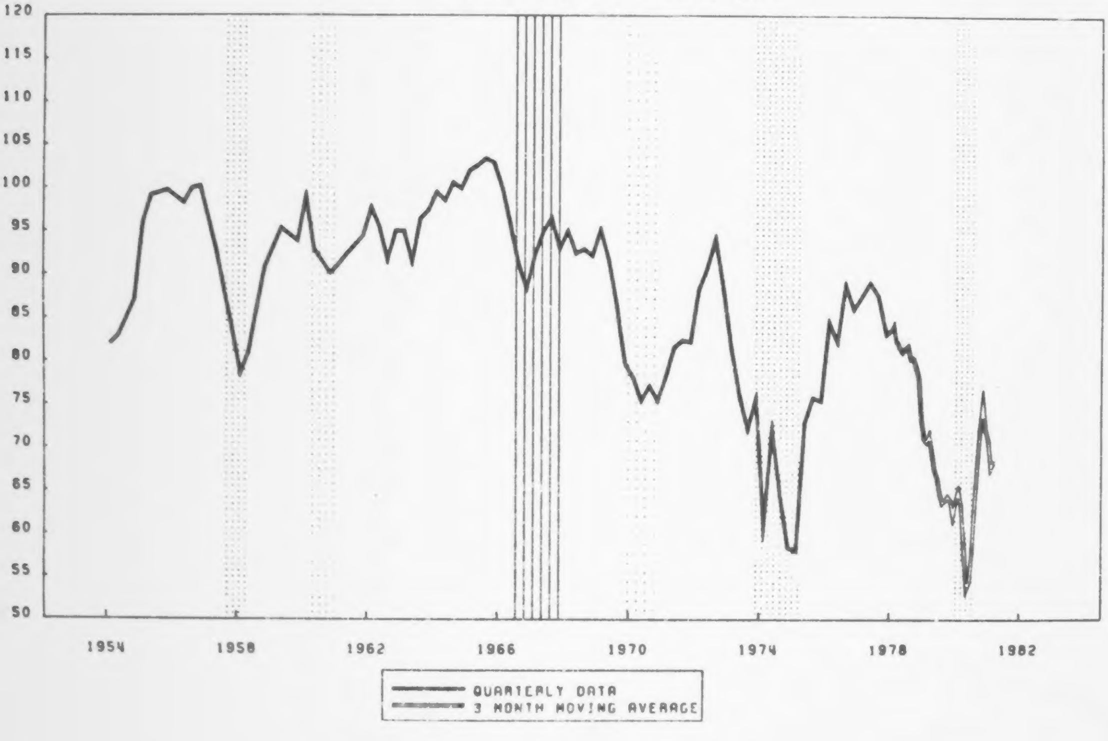

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

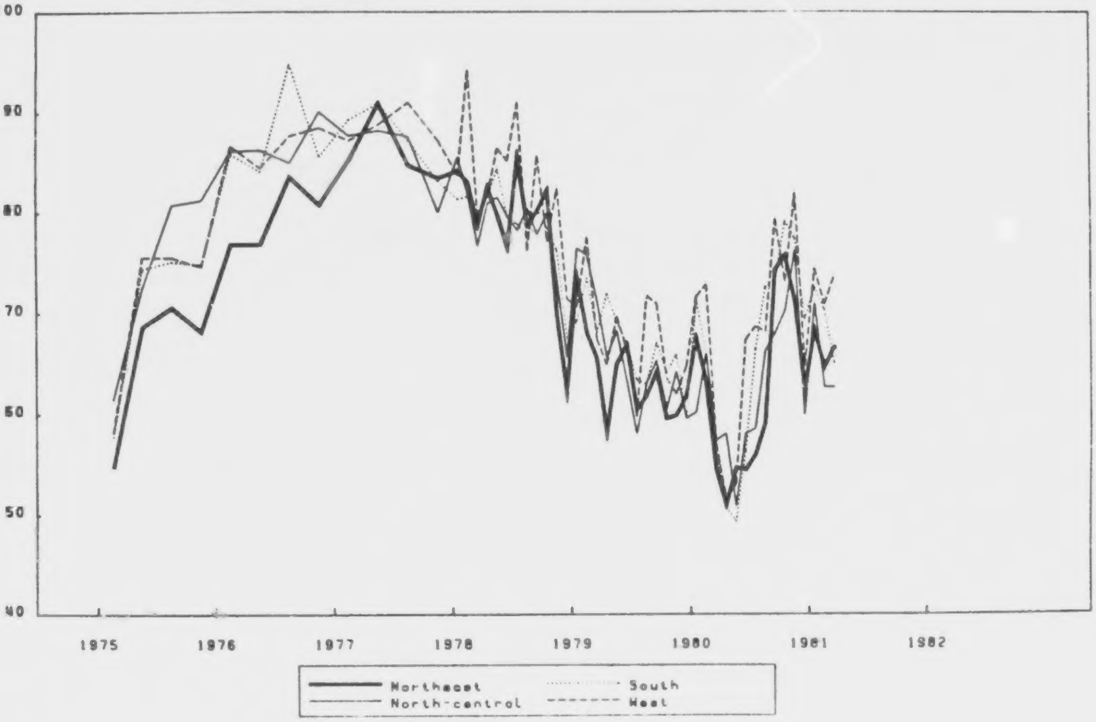

CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

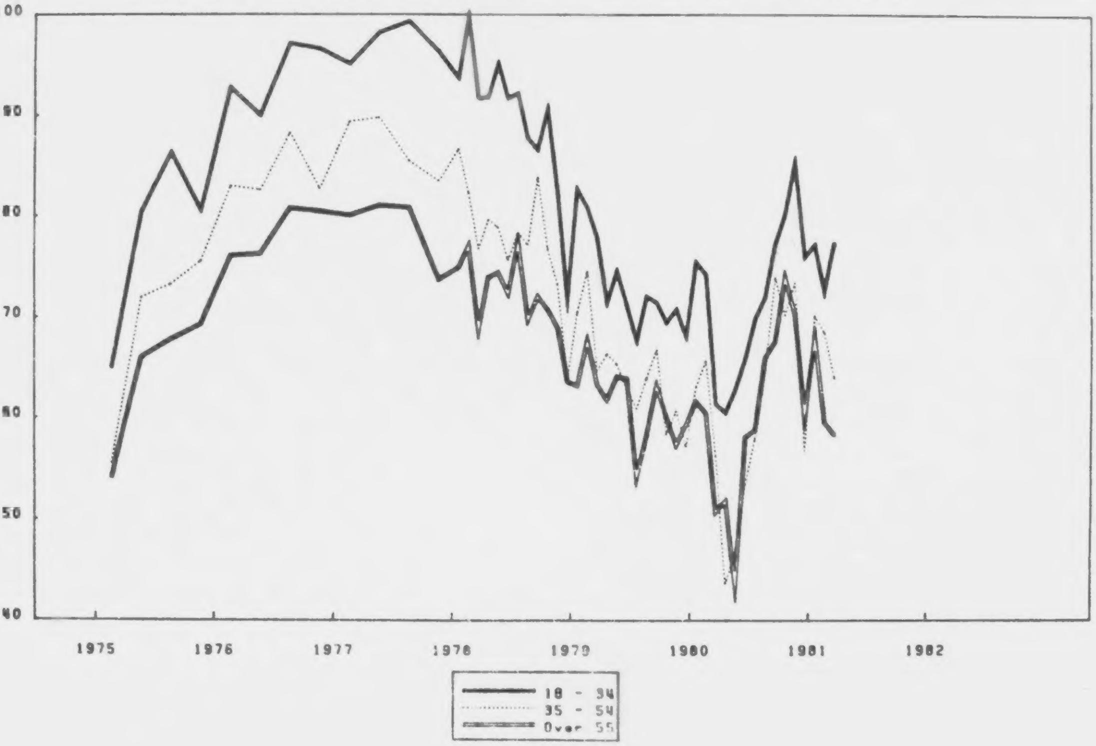

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

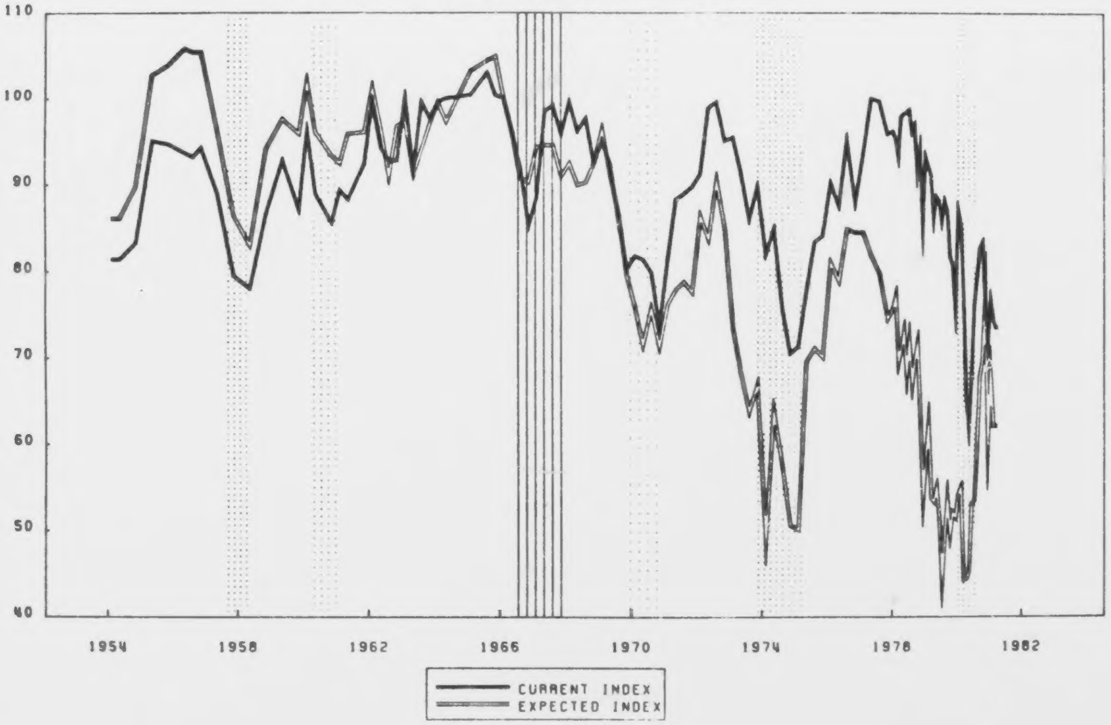

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

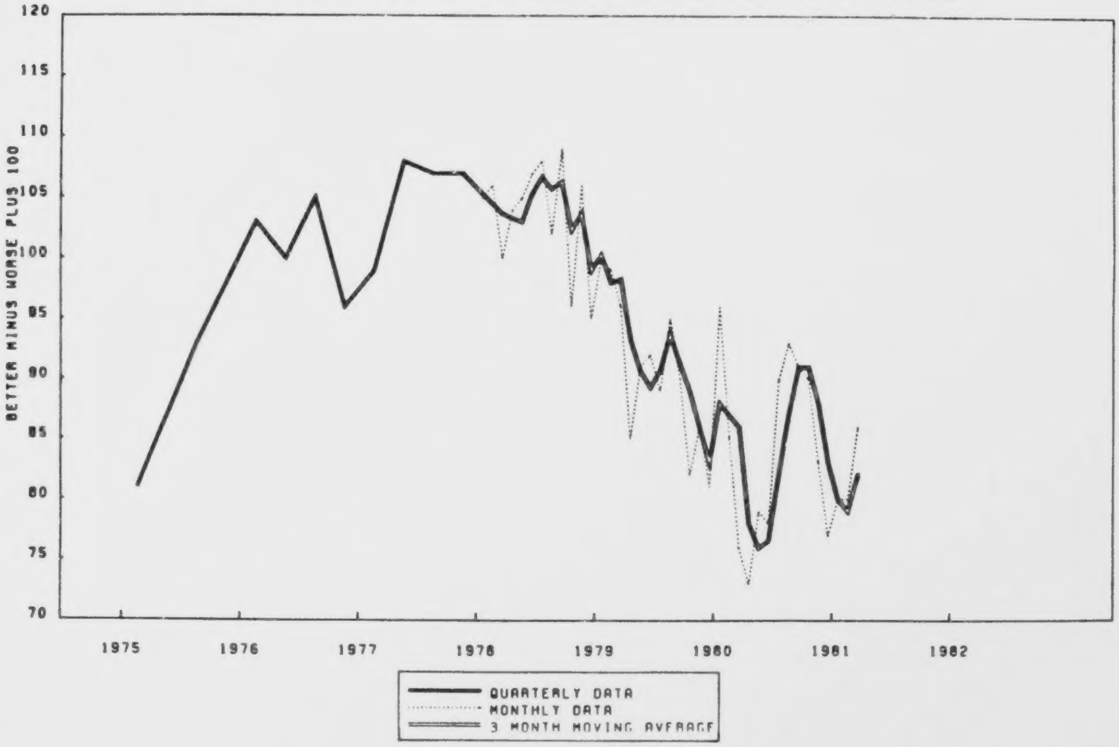

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

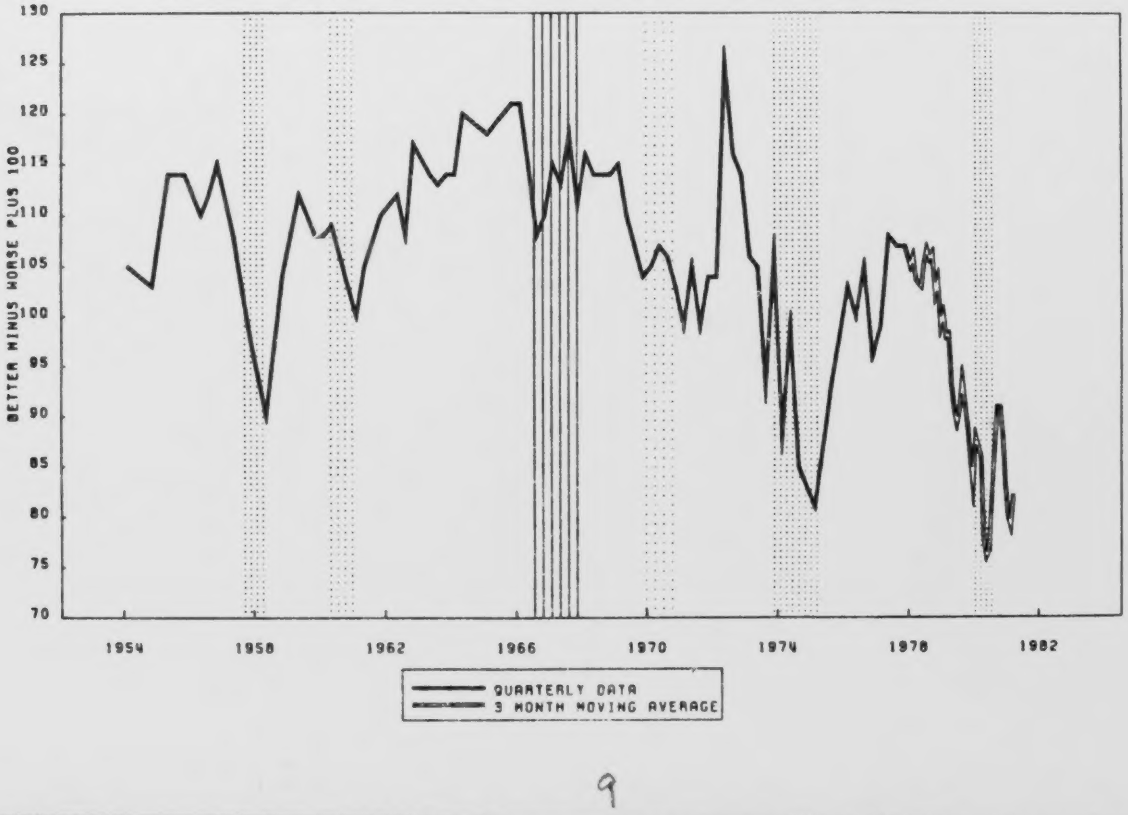

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%	29%
SAME	28	25	26	26	29	26	27	30	26	26	30	26	28
WORSE OFF	48	51	47	47	40	40	40	40	45	48	45	47	43
DK,NA	*	*	1	2	1	1	2	*	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

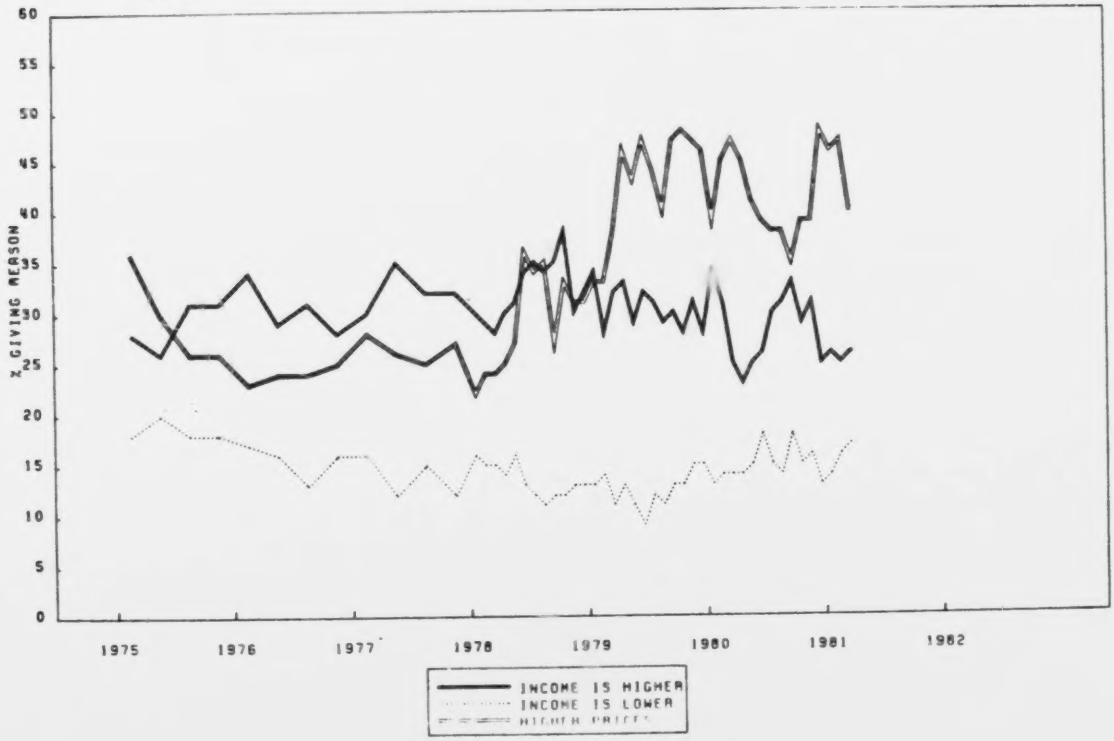

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	14	15	18	15	14	18	15	16	13	14	16	17
Higher prices	47	45	41	39	38	38	35	39	39	48	46	47	40

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

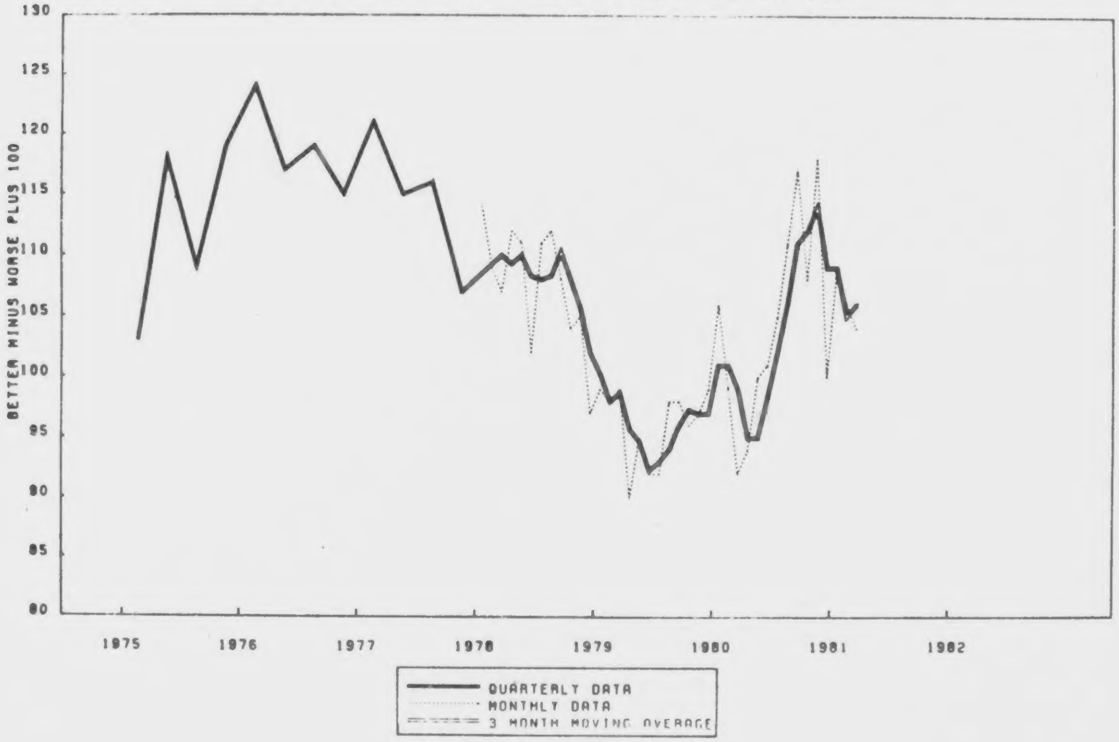

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

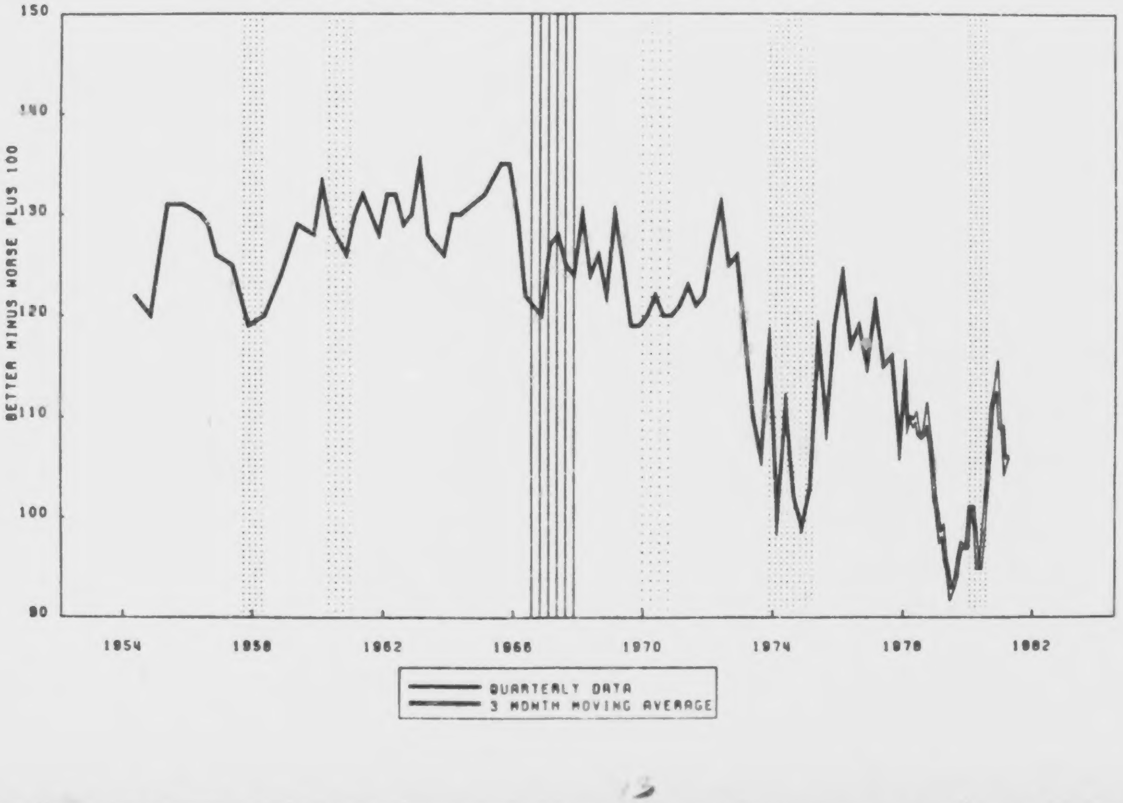

TABLE 6 9

EXPECTED CHANGE IN FINANCIAL SITUATION

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%	28%
SAME	47	42	43	46	48	48	45	50	42	45	48	48	45
WORSE OFF	28	31	27	25	21	19	17	17	17	25	18	20	24
DK,NA	5	2	3	3	5	3	4	8	6	5	7	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

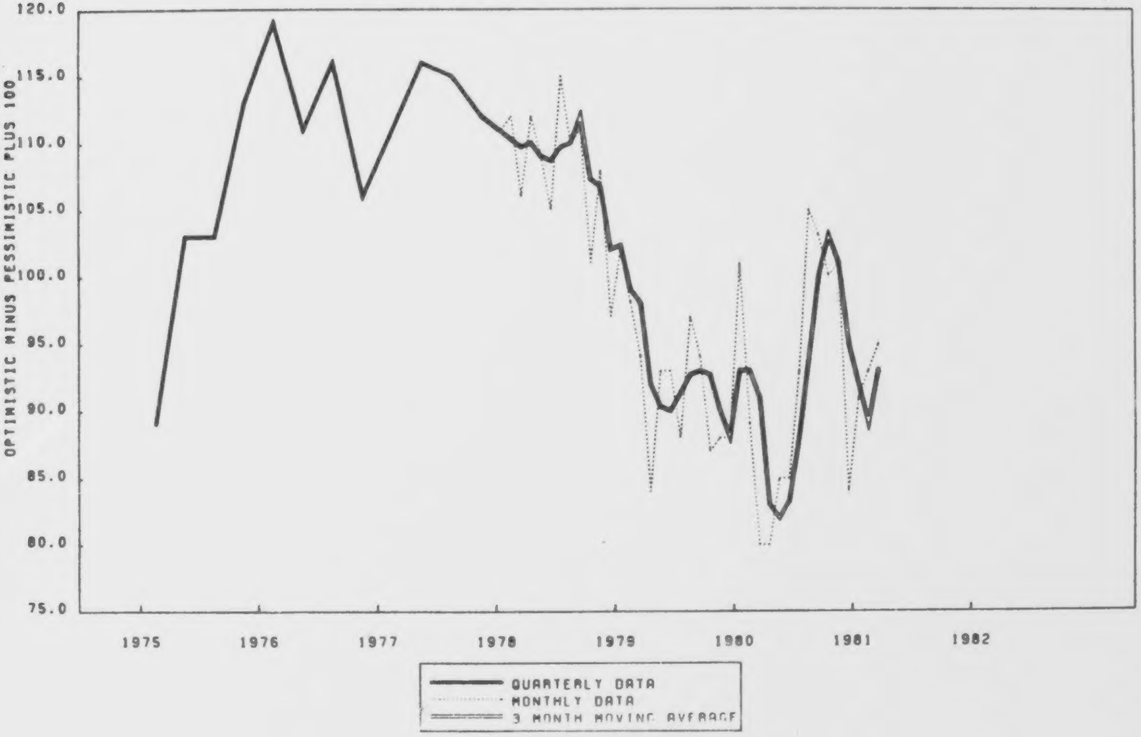

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

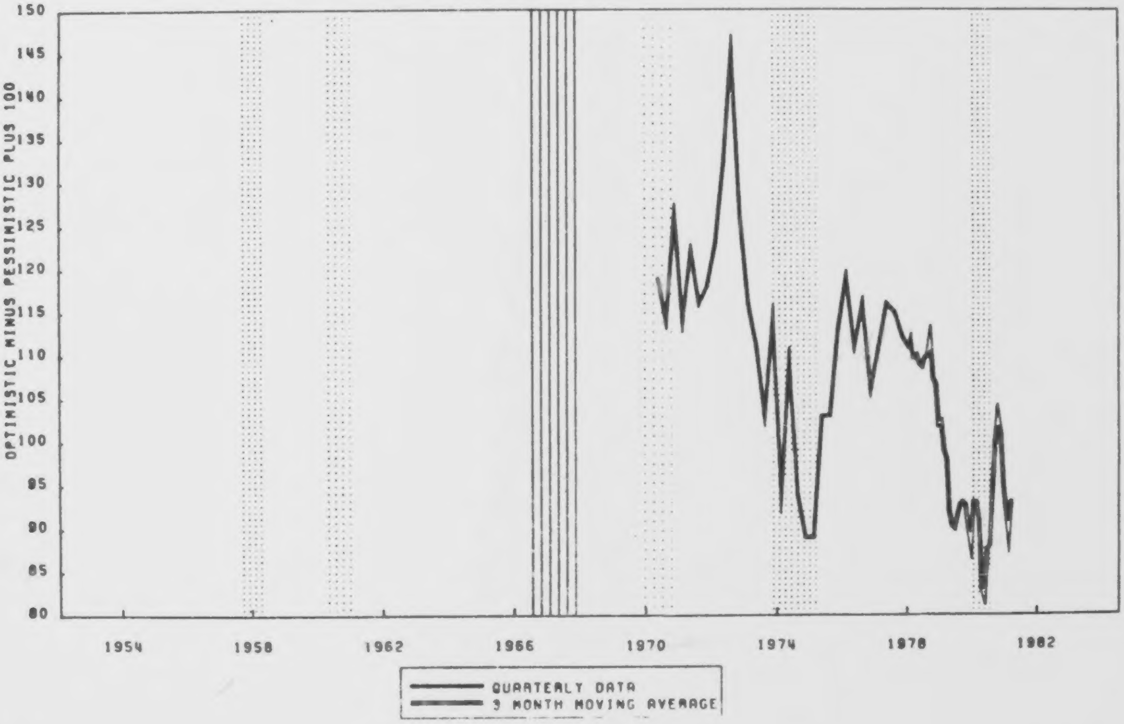

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%	12%
Intermittant increase (b)	16	16	17	16	19	22	19	20	19	18	17	20	19
Remain unchanged (c)	15	14	12	14	14	16	15	18	13	12	16	15	15
Intermittant decline (d)	27	23	27	27	28	17	21	21	22	28	25	23	22
Continuous decline (e)	17	21	16	14	10	12	9	11	9	15	11	12	14
Mixed change (f)	13	16	14	15	11	18	16	10	18	13	14	16	14
DK,NA	5	2	3	4	6	3	6	8	6	5	7	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
EXPECT INCREASE:													
1-4%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%	7%
5%		8	7	7	8	10	7	7	10	7	8	7	9
6-9%		14	12	13	11	15	16	15	10	12	10	10	11
10-24%		23	24	25	20	20	21	21	26	22	21	20	21
25% or more		7	6	8	5	6	5	7	7	7	6	7	7
DK how much up		7	8	8	10	9	10	10	8	8	9	9	9
EXPECT SAME		25	22	21	21	21	21	21	24	22	24	24	21
EXPECT DOWN		9	13	12	18	11	10	9	7	11	12	11	12
DK,NA		2	2	1	2	2	3	2	3	3	4	4	3
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

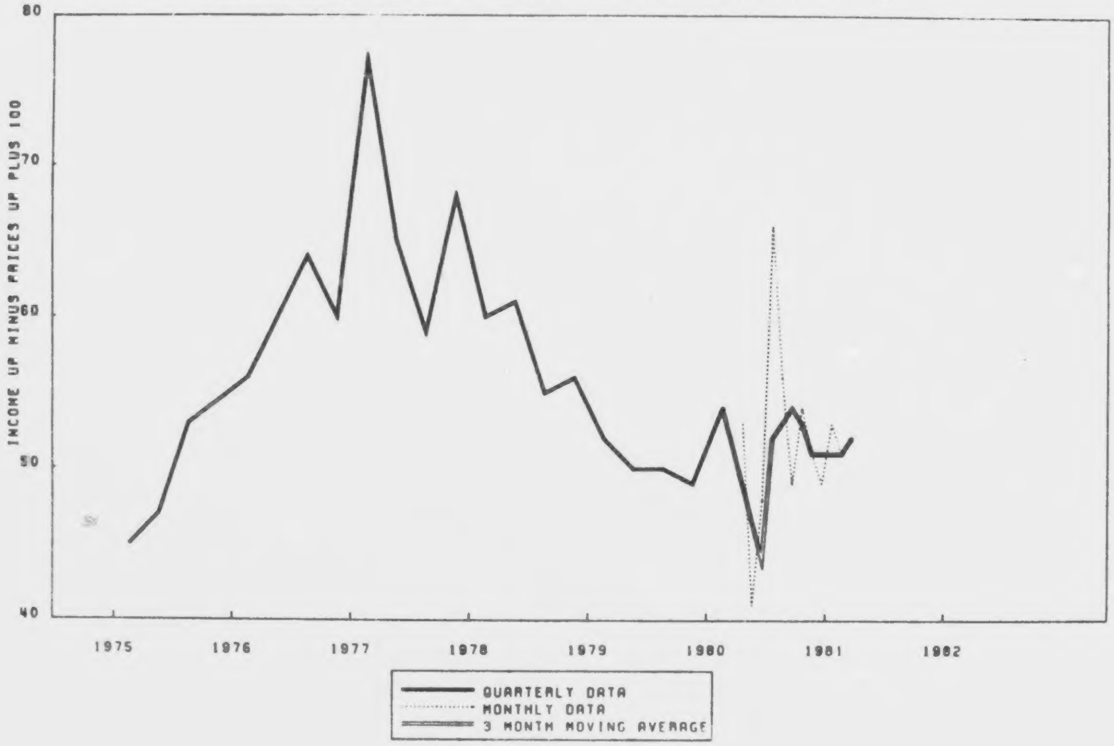

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
INCOME UP MORE	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%	13%
INCOME UP SAME		22	22	25	30	29	24	25	30	24	25	28	24
PRICES UP MORE		66	67	63	56	57	63	59	59	62	60	59	61
DK,NA		1	3	1	2	1	1	3	1	3	2	3	2
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

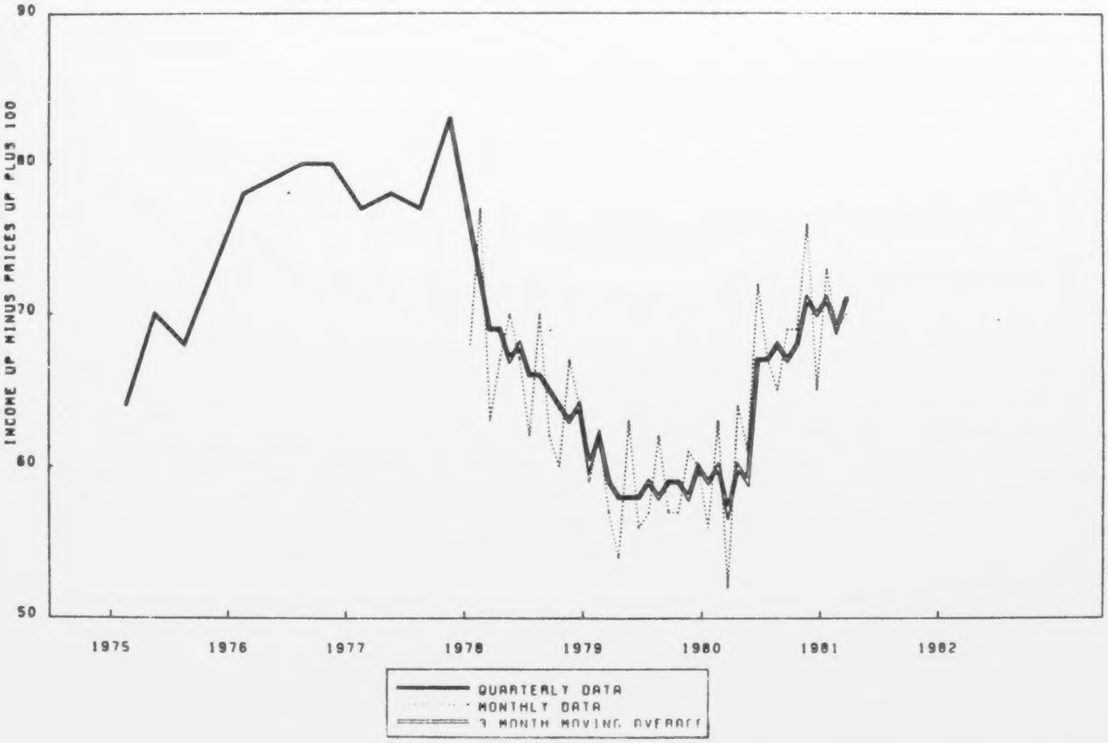

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
INCOME UP MORE	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%	14%
INCOME UP SAME	32	37	34	41	38	40	38	42	42	36	39	43	38
PRICES UP MORE	56	48	51	42	45	46	45	43	40	47	41	42	44
DK,NA	4	3	3	3	5	3	3	3	2	5	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

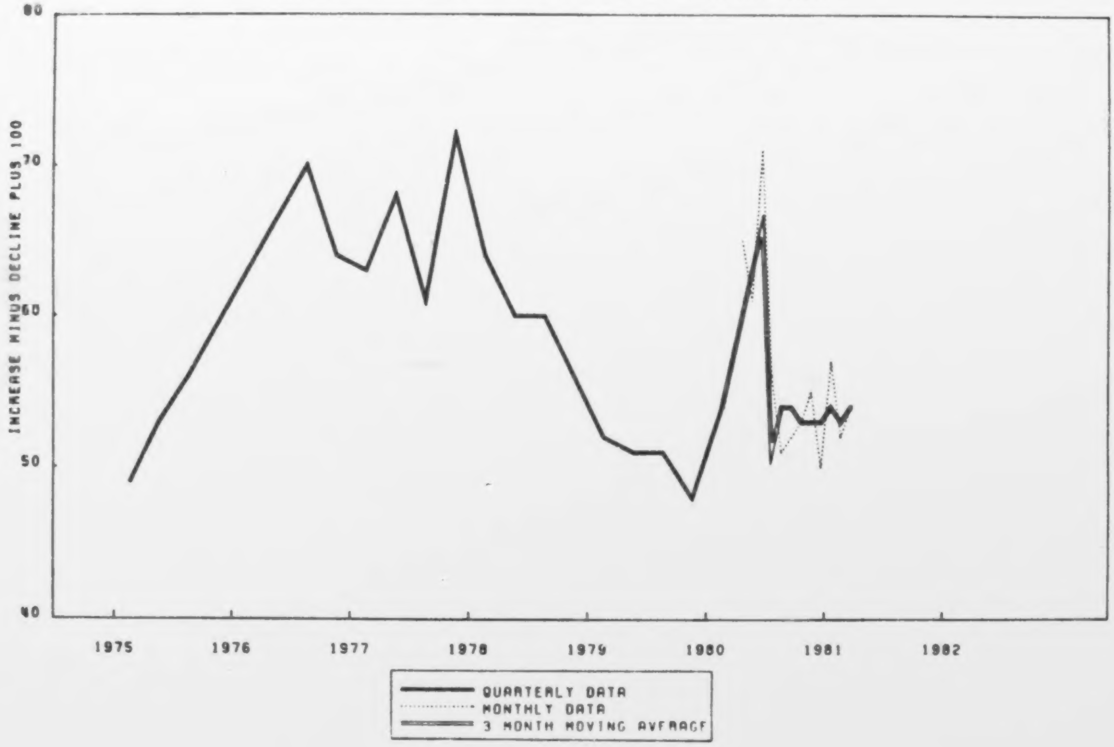

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%	6%
Intermittant increase (b)		8	9	8	9	11	9	6	9	7	8	8	9
Remain unchanged (c)		13	11	16	17	17	14	18	17	14	17	18	14
Intermittant decline (d)		24	22	26	23	22	23	25	27	24	22	25	26
Continuous decline (e)		41	44	35	35	37	39	34	33	38	35	35	35
Mixed change (f)		6	6	7	5	6	6	7	5	6	6	5	5
DK,NA		4	6	3	6	4	4	4	3	6	6	5	5
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

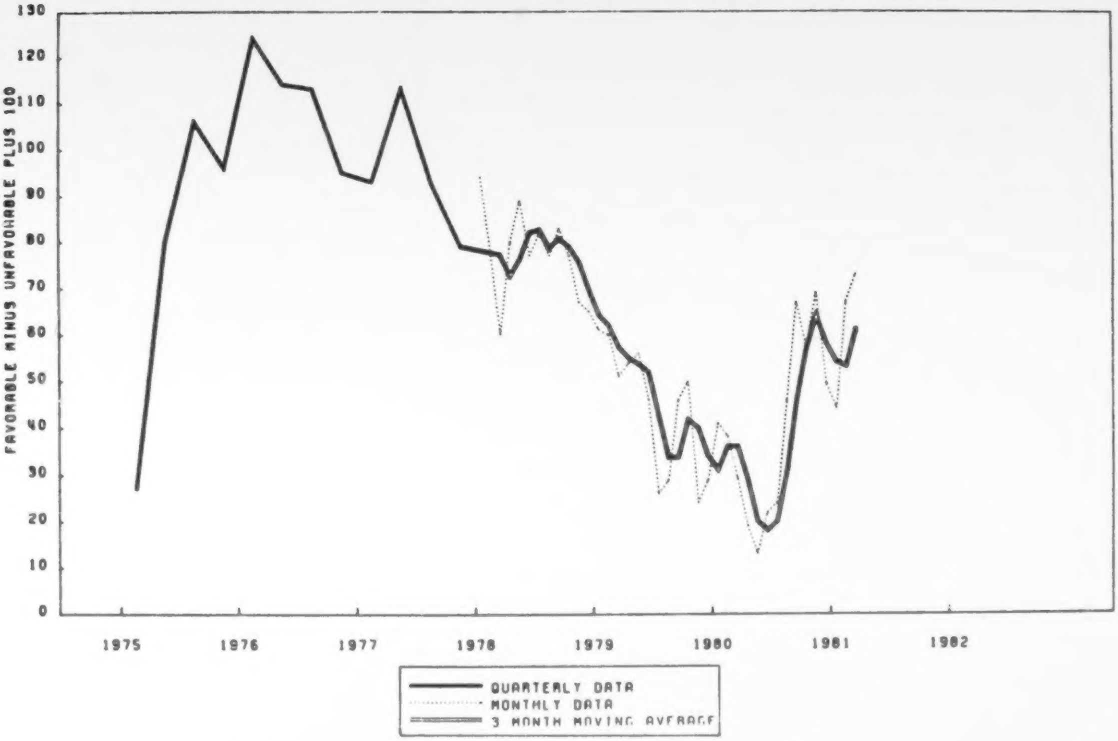

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

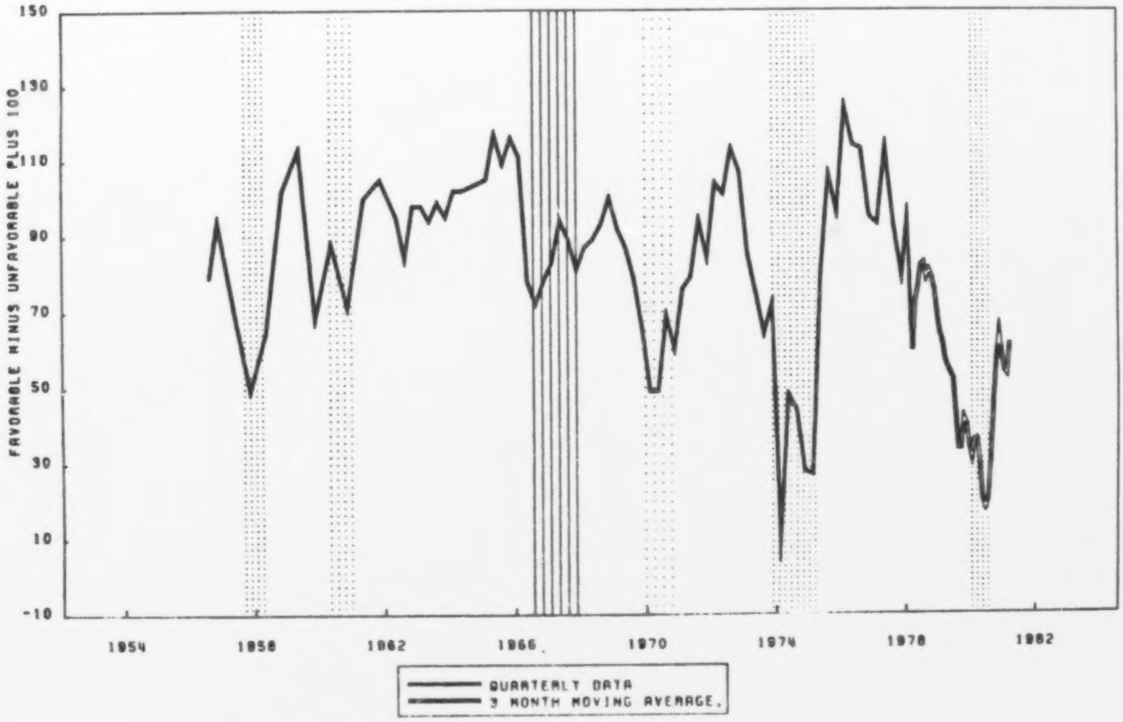

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE NEWS	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%	30%
UNFAVORABLE NEWS	82	91	97	93	95	78	63	72	58	68	75	56	57
NO MENTIONS	41	35	30	29	30	34	38	33	47	44	39	46	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE NEWS:													
Government; elections	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%	9%	9%
Employment	3	3	1	3	4	7	7	10	7	5	4	5	8
Consumer demand high	1	1	*	1	1	1	3	3	2	1	2	1	1
Prices are low	*	1	1	1	1	*	1	2	1	*	*	1	1
Credit is easy	*	*	5	7	7	8	7	3	1	*	3	3	4
UNFAVORABLE NEWS:													
Government; elections	3	3	4	2	4	3	1	4	3	2	4	5	7
Unemployment	14	21	40	50	43	31	25	26	21	18	19	15	19
Consumer demand low	8	9	10	9	12	12	8	8	8	11	14	9	10
Prices are high	17	17	11	8	12	13	10	10	9	8	11	10	6
Credit is tight	22	24	16	9	5	5	8	12	9	19	14	7	4
Energy crisis	1	1	*	1	1	1	*	1	*	1	1	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

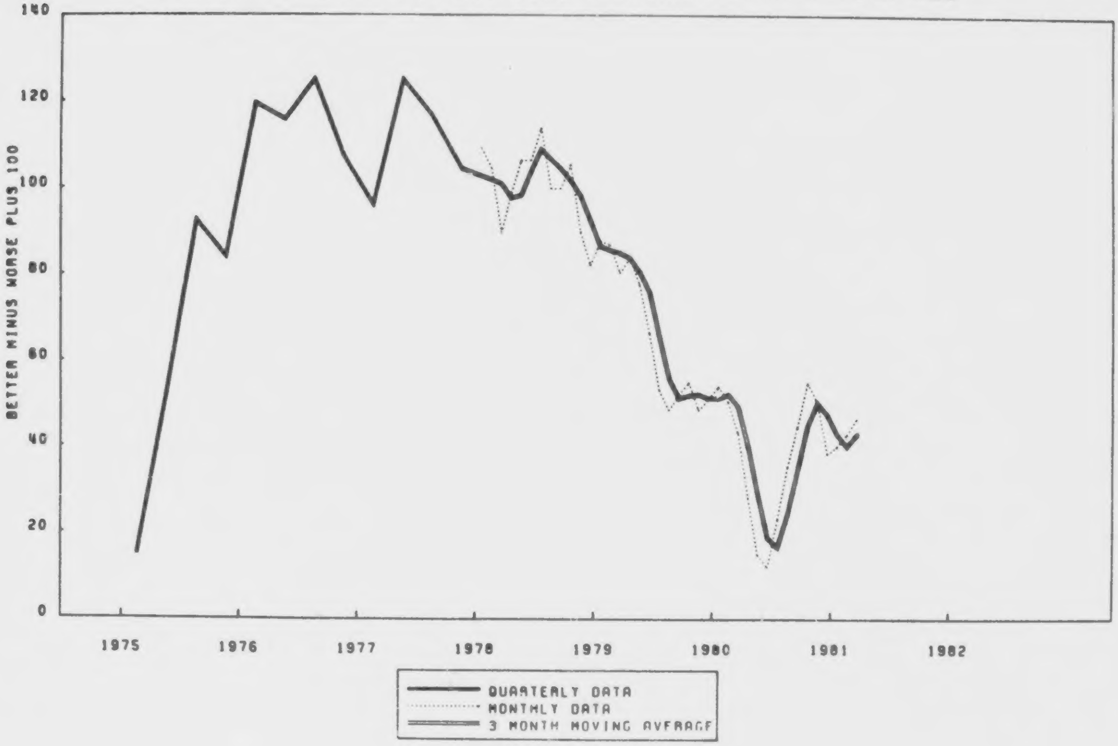

CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

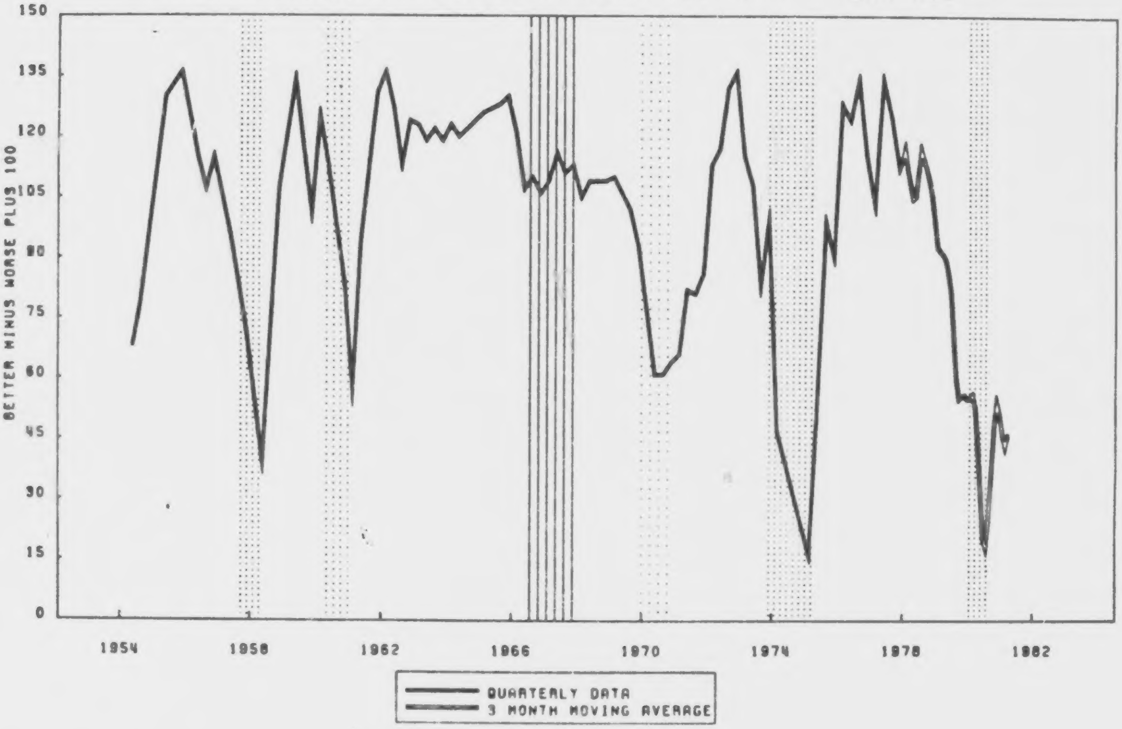

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER NOW	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%	17%
SAME	12	10	4	5	4	7	10	10	10	12	13	15	14
WORSE NOW	69	79	90	90	85	77	70	64	67	72	71	68	67
DK,NA	4	1	*	1	1	1	2	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

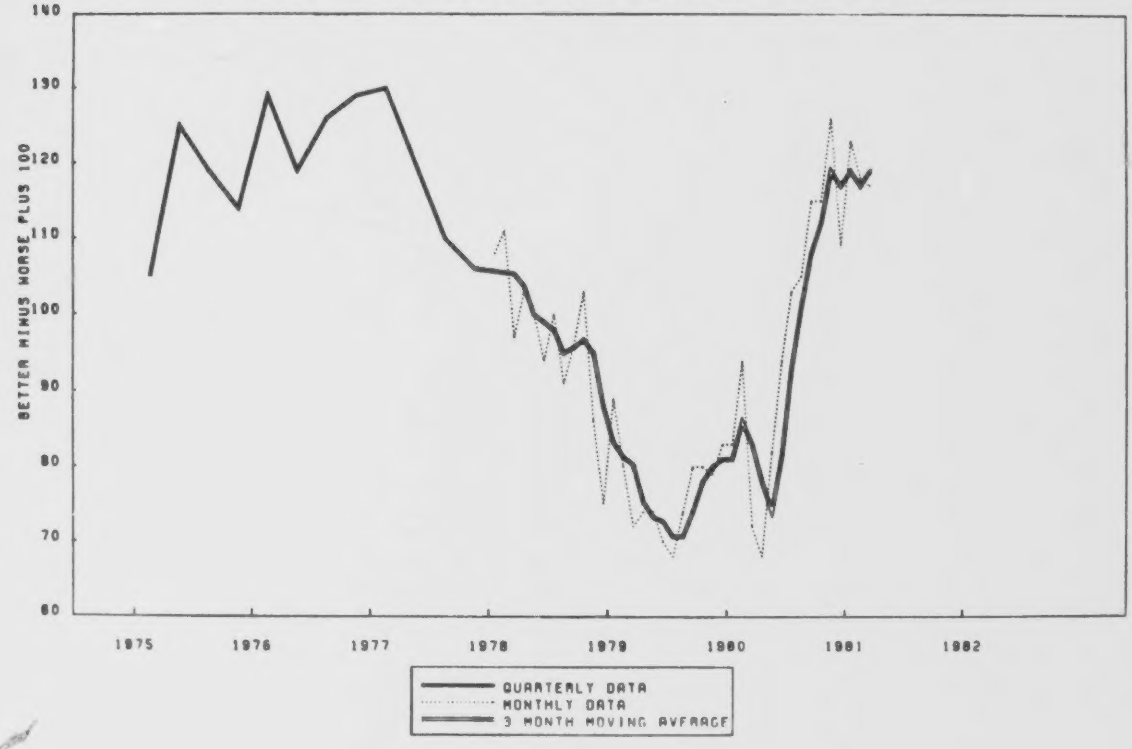

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

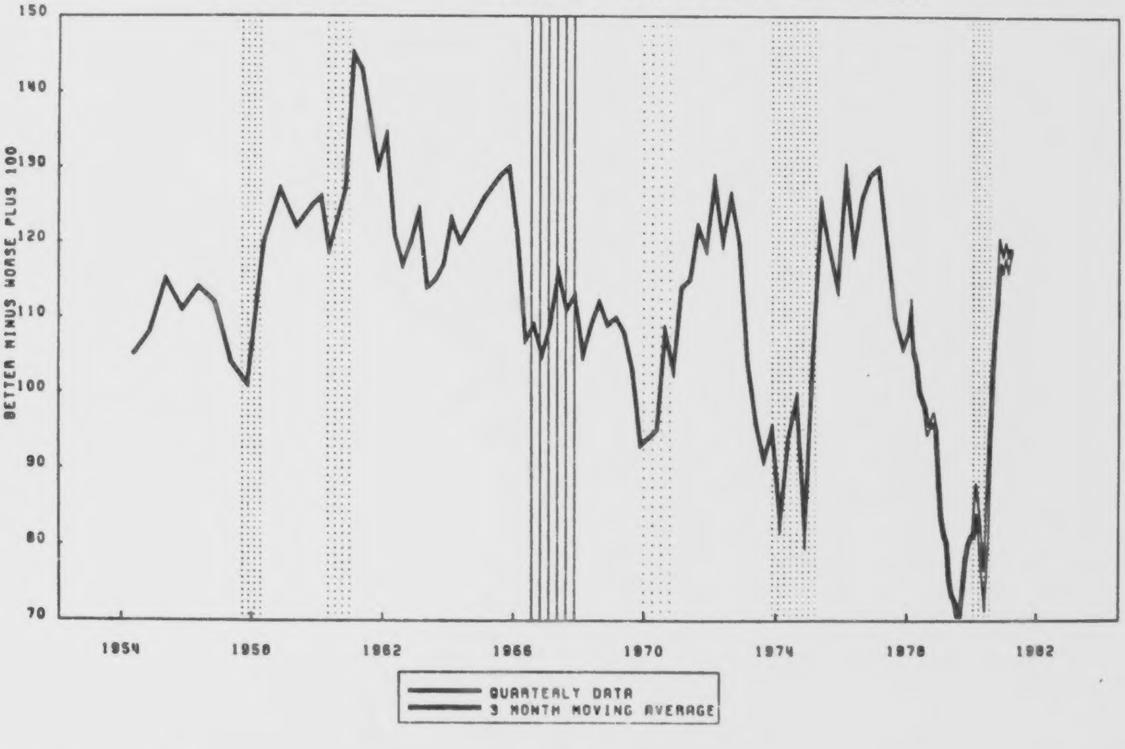

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%	38%
SAME	42	37	37	38	43	44	47	44	42	46	42	46	38
WORSE	42	46	39	32	25	23	17	18	14	20	16	16	21
DK,NA	2	3	3	4	4	5	4	5	4	5	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE REASONS:													
Government; elections	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%	32%
Employment		2	2	3	4	4	5	5	5	3	4	2	4
Higher consumer demand		1	3	1	2	3	4	5	3	2	2	3	2
Lower prices		3	2	3	1	1	3	3	2	3	2	2	3
Easier credit		1	4	5	2	3	3	2	3	2	4	2	2
UNFAVORABLE REASONS:													
Government; elections		15	7	7	12	7	7	11	7	8	7	7	9
Unemployment		11	14	12	10	7	6	4	5	8	7	6	6
Lower consumer demand		6	5	5	6	7	3	2	2	6	5	4	4
Higher prices		25	14	10	9	14	10	10	8	10	8	12	8
Tighter credit		12	6	4	2	2	2	2	2	7	4	2	2
Energy crisis		3	2	1	1	1	1	1	1	*	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

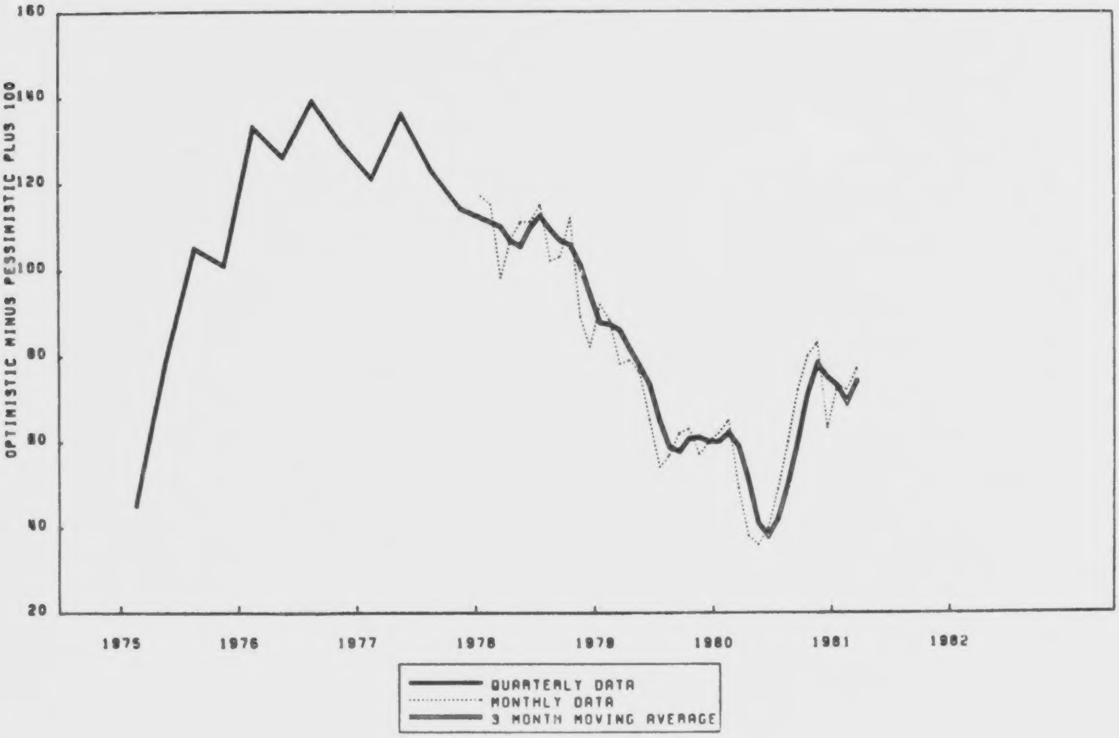

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

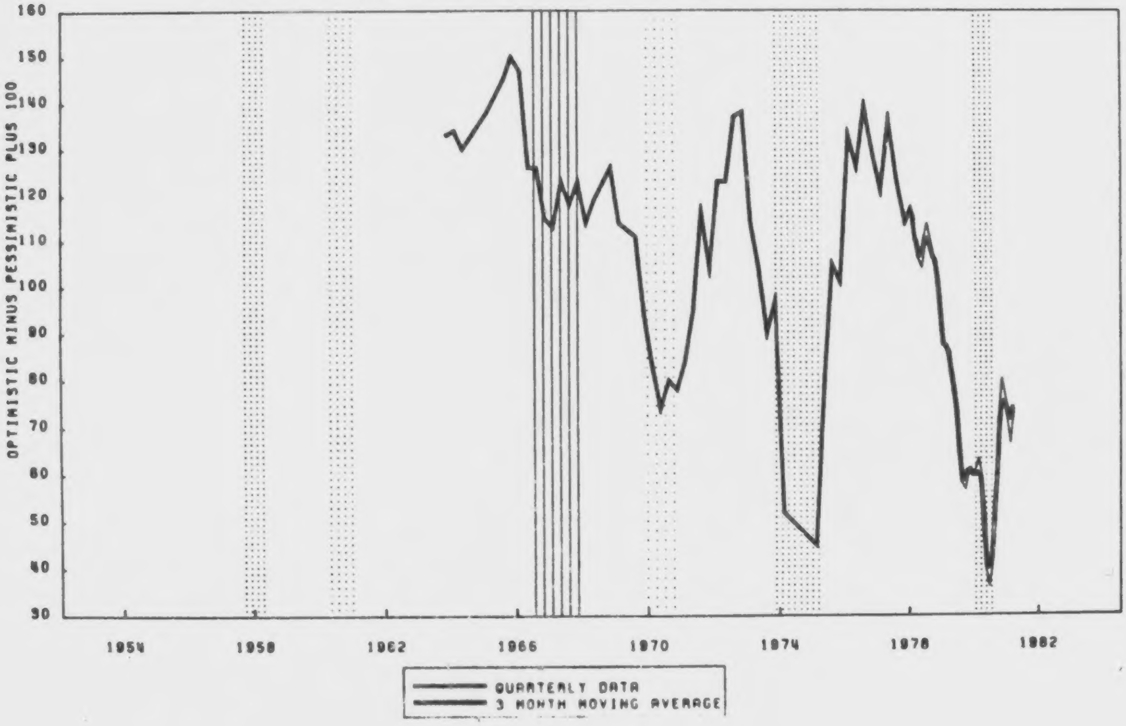

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
TREND:													
Continuous increase (a)	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%	9%
Intermittant increase (b)	9	6	5	4	7	9	10	13	14	10	11	12	12
Remain unchanged (c)	6	3	1	2	1	3	6	5	4	5	7	7	6
Intermittant decline (d)	31	32	34	35	37	35	33	28	29	36	30	33	27
Continuous decline (e)	32	41	36	30	23	19	14	14	13	16	14	14	17
Mixed change (f)	14	10	20	23	26	23	23	23	24	21	27	21	25
DK,NA	5	4	3	5	4	6	5	8	5	7	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

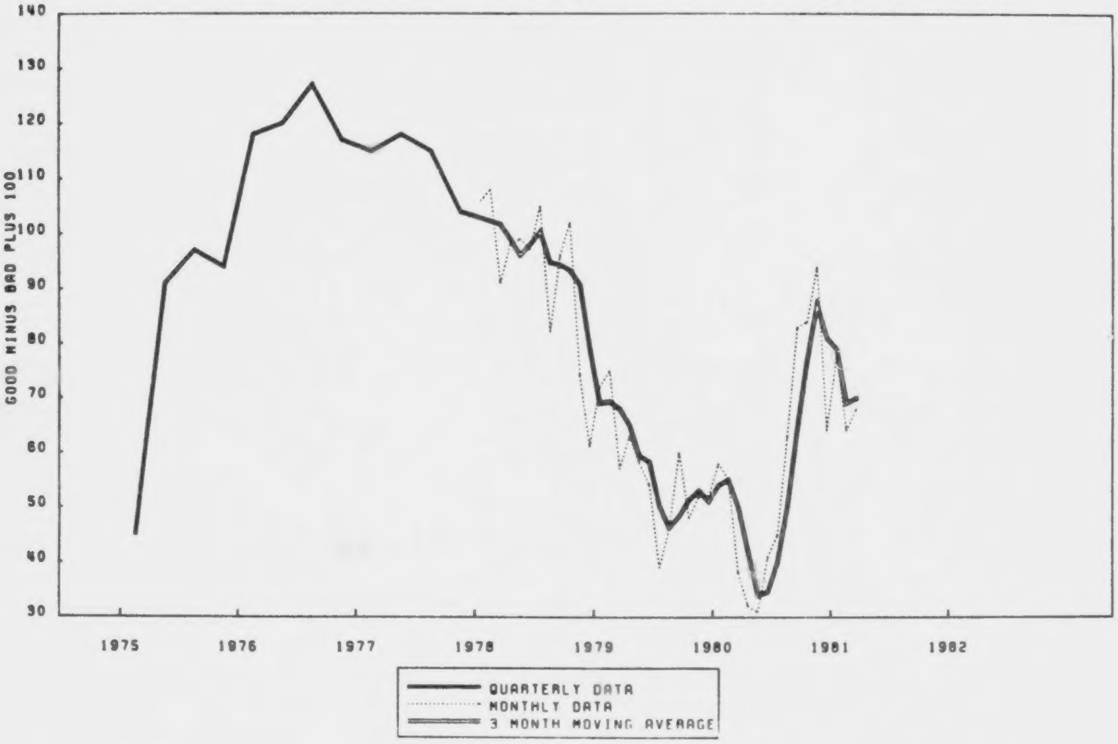

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

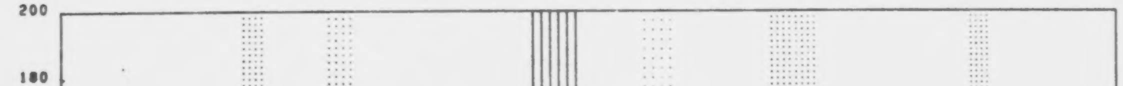

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIMES	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%	27%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	2	2	2	2	1	2	2	3
BAD TIMES	76	79	82	75	74	62	52	49	45	62	53	62	59
DON´T KNOW	4	4	3	4	4	7	7	8	8	7	10	6	6
NOT ASCERTAINED	5	5	1	2	2	4	4	8	6	4	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

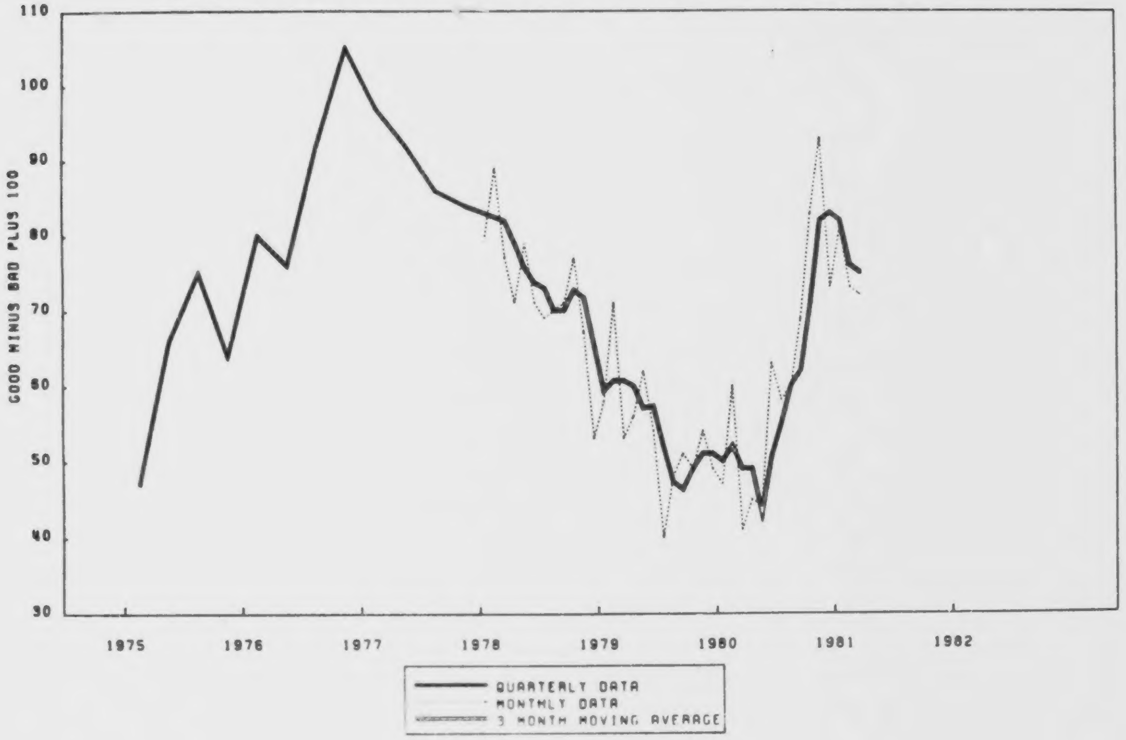

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

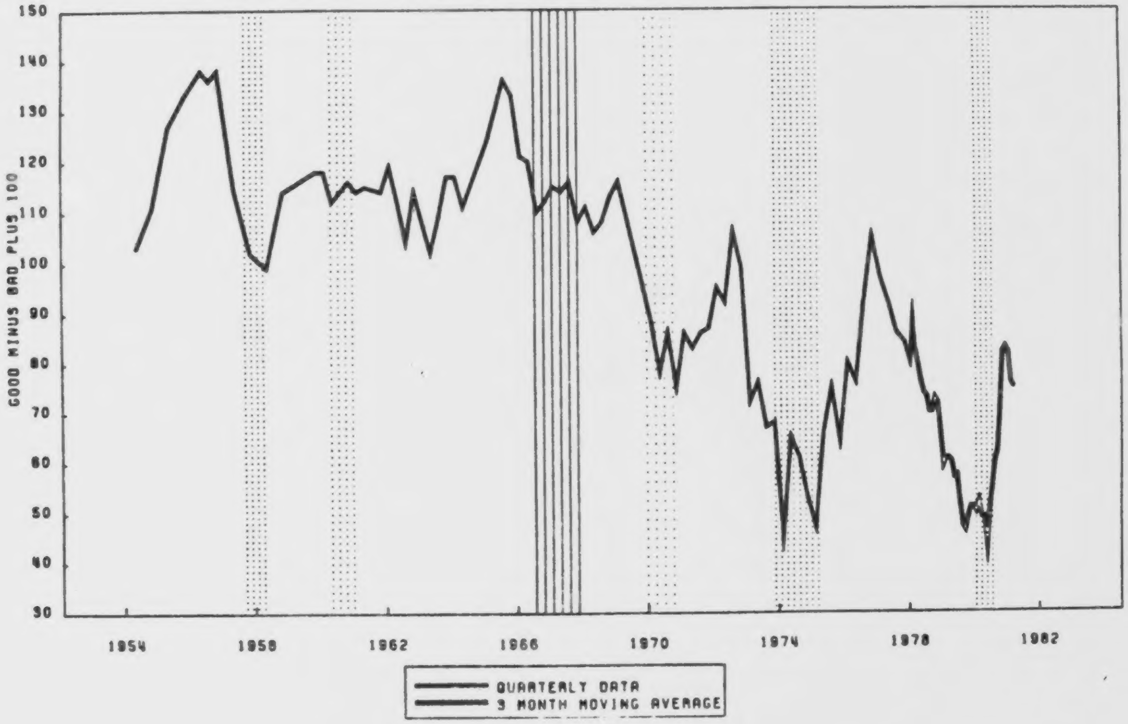

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIMES	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%	27%
UNCERTAIN; GOOD & BAD	10	12	10	12	13	16	14	19	15	16	15	12	14
BAD TIMES	72	69	71	59	61	59	56	44	43	52	49	55	55
NOT ASCERTAINED	5	5	4	7	7	6	5	10	6	7	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

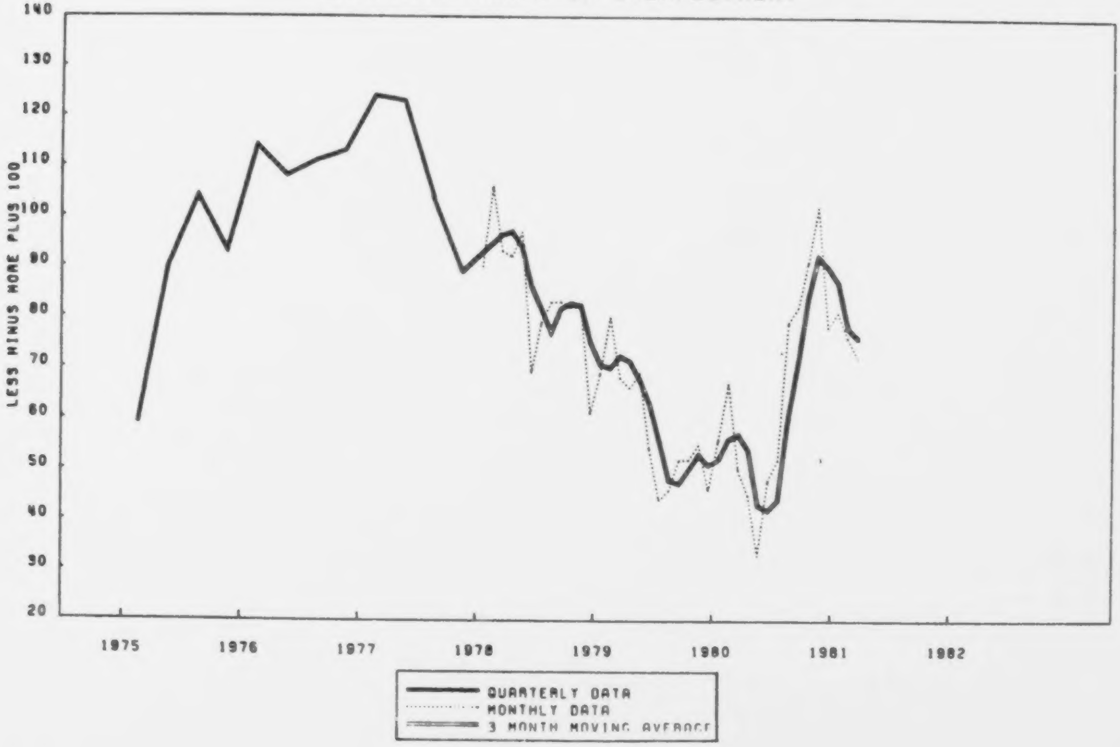

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

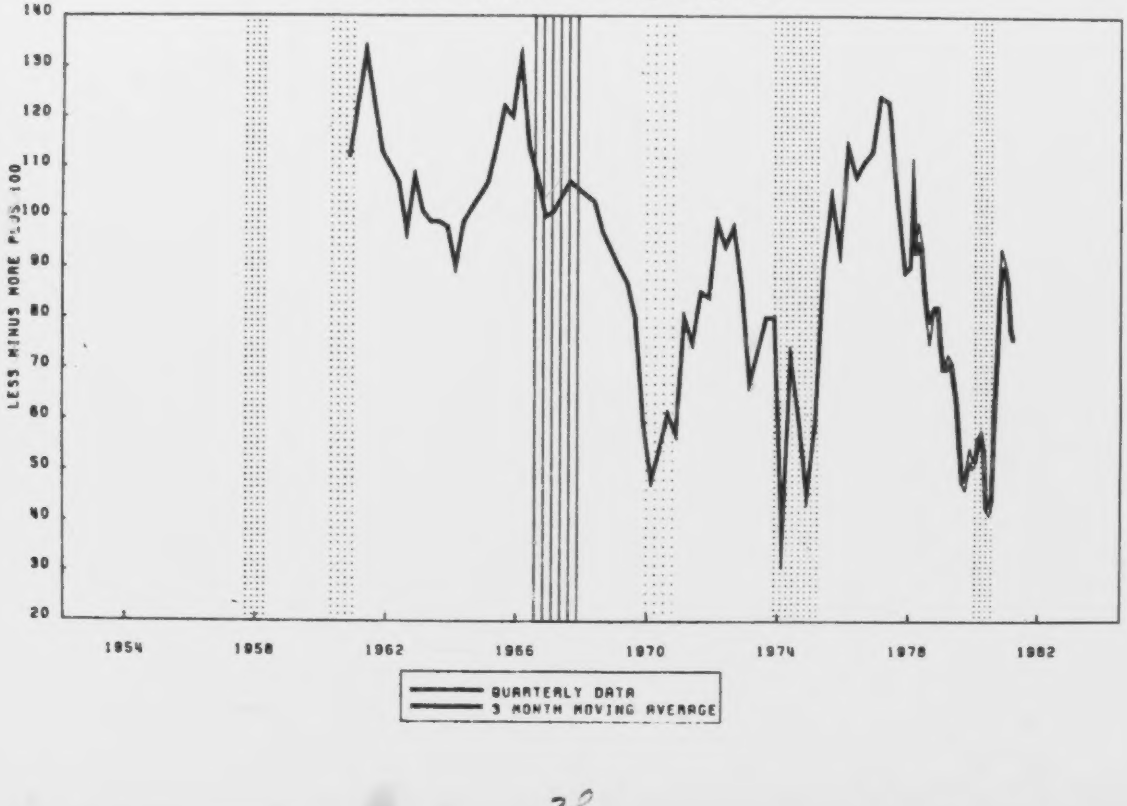

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
LESS	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%	13%
SAME	35	29	23	25	30	38	36	46	47	41	41	42	43
MORE	57	62	72	63	59	40	40	30	24	39	38	40	41
DK,NA	1	2	*	1	*	3	2	3	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

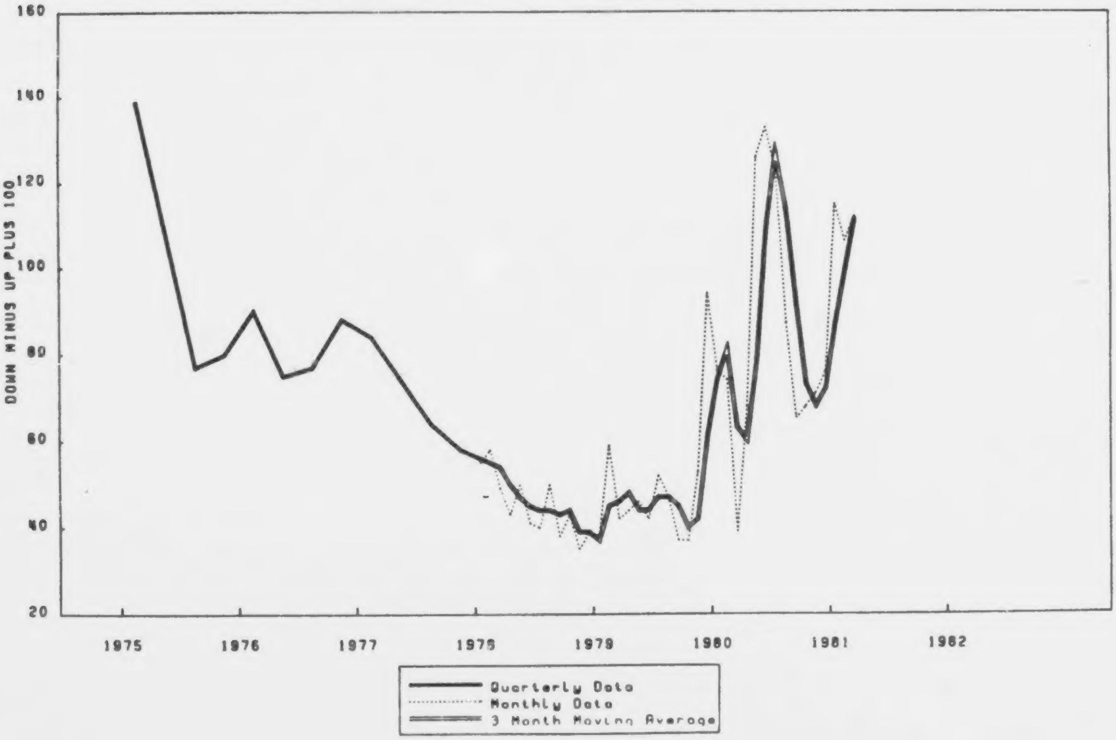

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

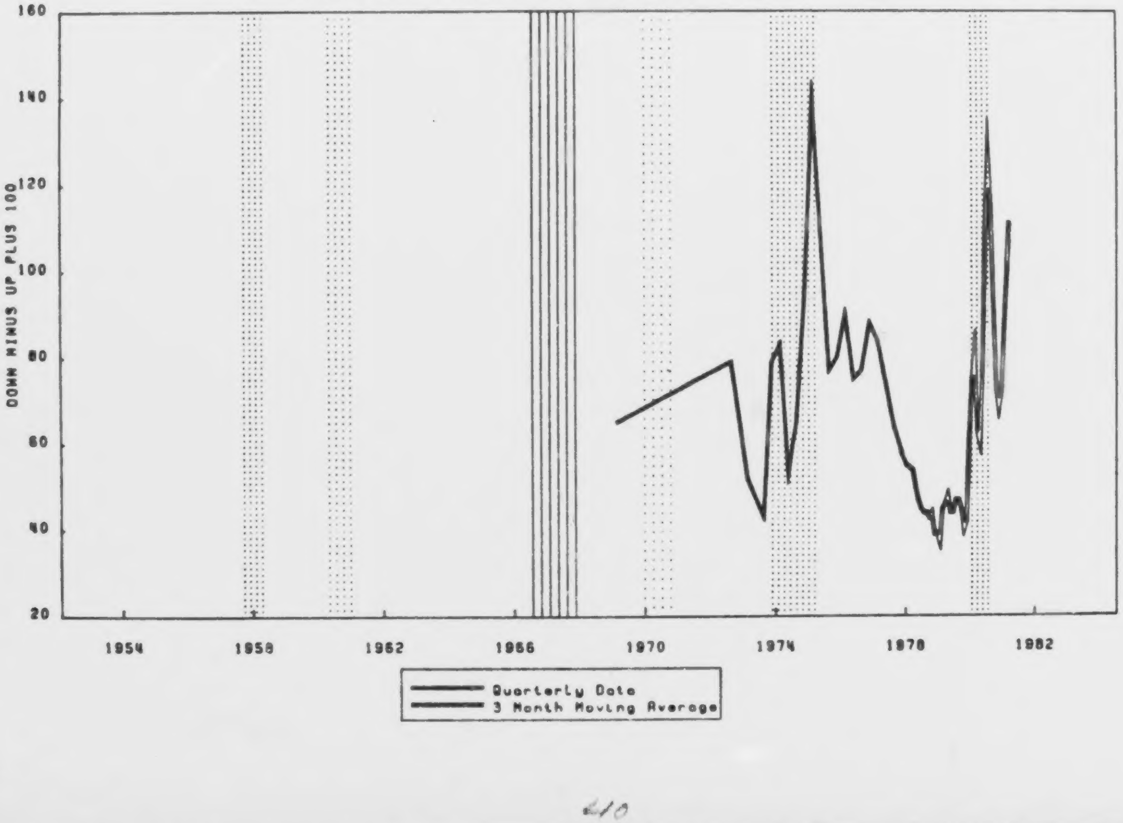

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GO UP	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%	29%
STAY THE SAME	16	18	20	22	31	30	25	26	22	14	20	24	26
GO DOWN	10	24	52	54	44	26	18	17	22	29	44	37	41
DK,NA	3	2	2	3	4	5	4	8	5	4	7	8	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

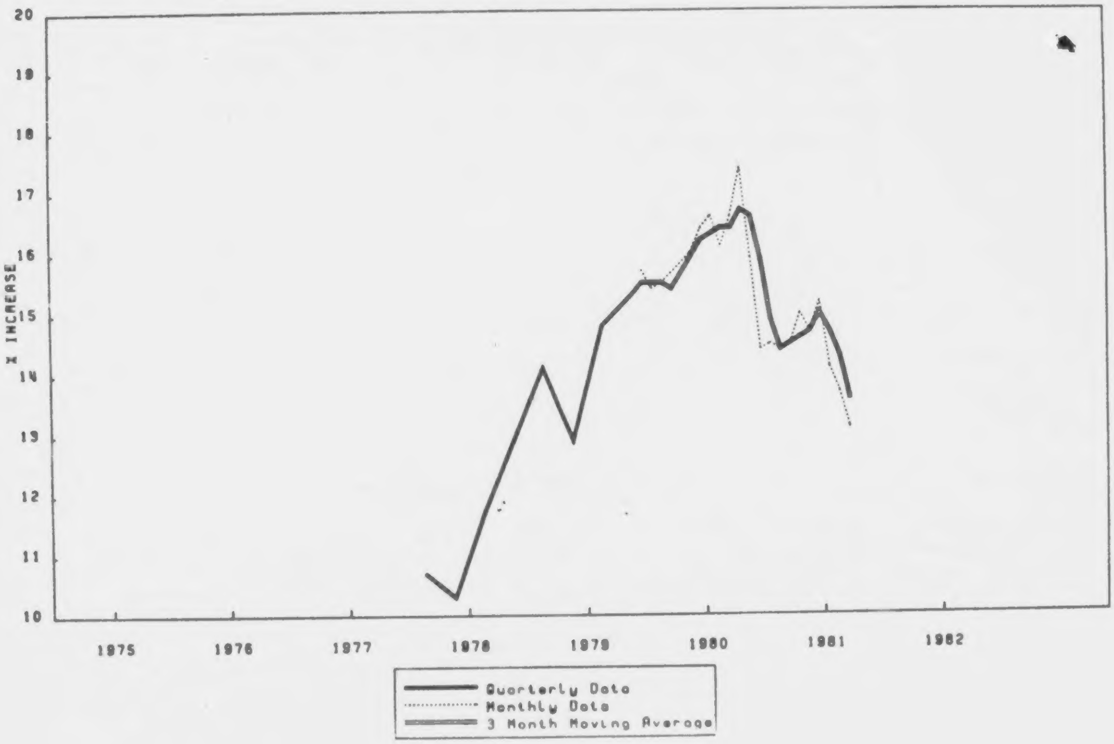

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
SAME OR DOWN	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%	4%
GONE UP BY:													
1-2%	2	2	1	1	3	2	2	3	2	2	2	3	2
3-4%	5	3	4	3	5	6	5	4	4	3	4	4	4
5%	6	5	5	6	7	8	7	11	7	9	7	8	7
6-9%	8	9	6	10	11	12	9	11	12	9	8	8	10
10-14%	25	24	27	25	22	20	24	23	27	26	31	32	29
15% or more	41	43	37	33	29	32	31	32	29	32	28	25	25
DK how much up	11	12	15	15	18	15	17	14	16	16	17	17	18
DK,NA	*	*	*	1	1	1	1	*	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1
VARIANCE	167	179	175	140	168	160	151	169	161	158	130	128	111
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

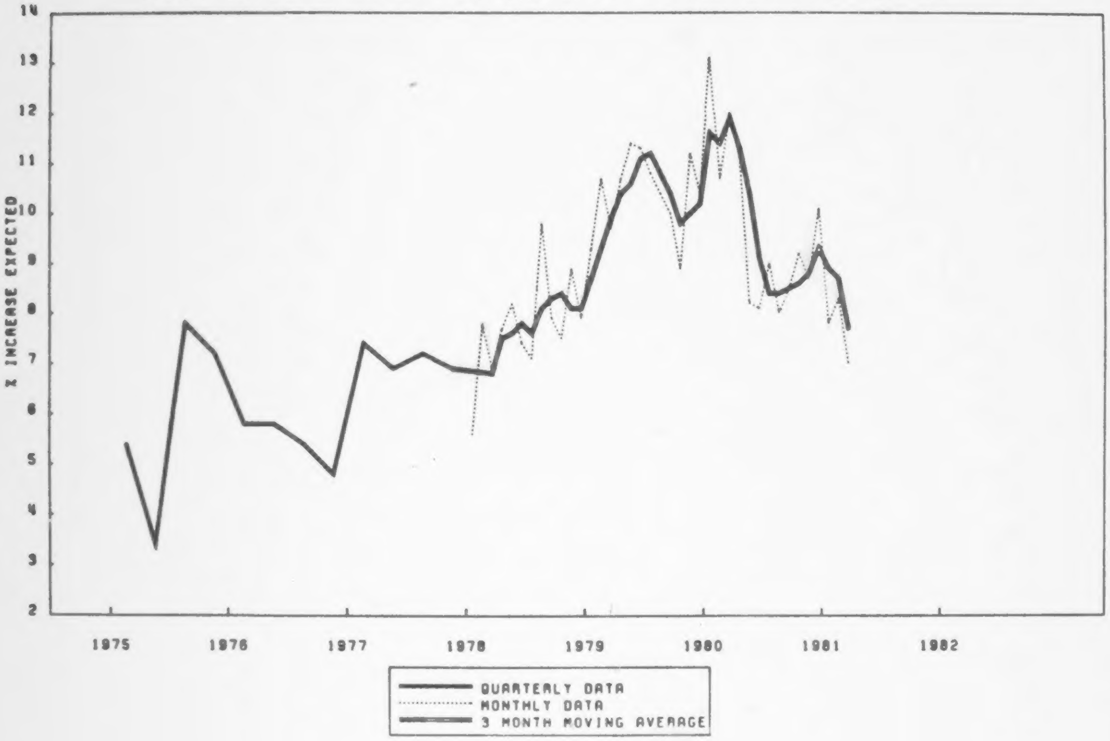

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

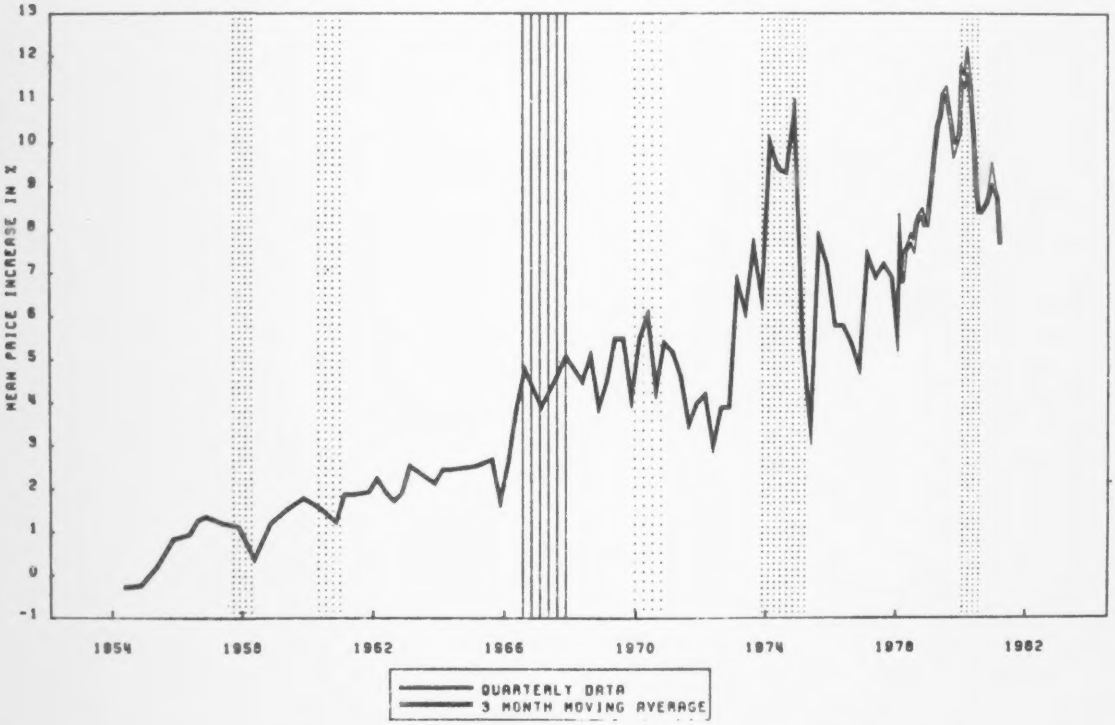

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
SAME OR DOWN	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%	26%
WILL GO UP BY:													
1-2%	3	2	1	3	3	6	5	3	3	3	3	5	2
3-4%	4	3	4	6	5	7	5	6	5	5	6	9	8
5%	8	7	9	7	8	11	11	10	8	9	7	9	11
6-9%	9	8	9	10	10	12	10	10	12	11	12	12	11
10-14%	26	24	17	20	21	24	23	24	20	25	28	23	20
15% or more	27	25	18	14	15	10	13	16	14	18	9	12	9
DK how much up	7	9	10	10	13	11	13	9	11	10	11	10	11
DK,NA	3	2	1	3	3	1	3	2	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0
VARIANCE	122	125	92	89	95	71	68	100	102	107	54	74	57
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

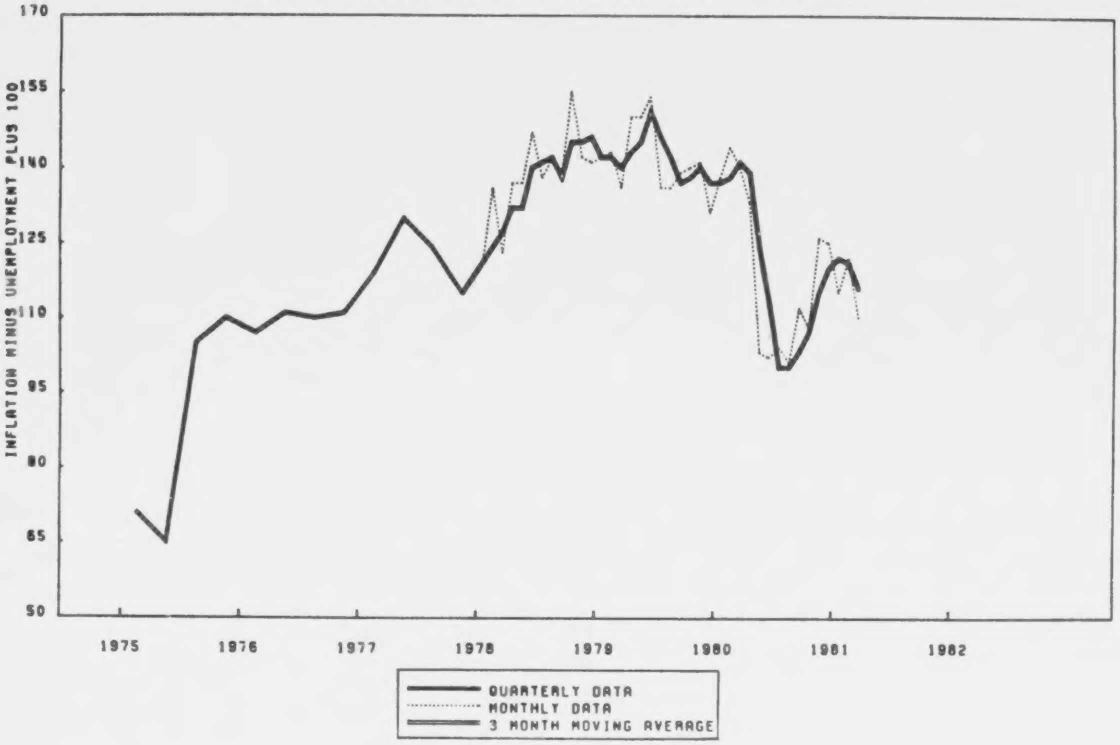

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

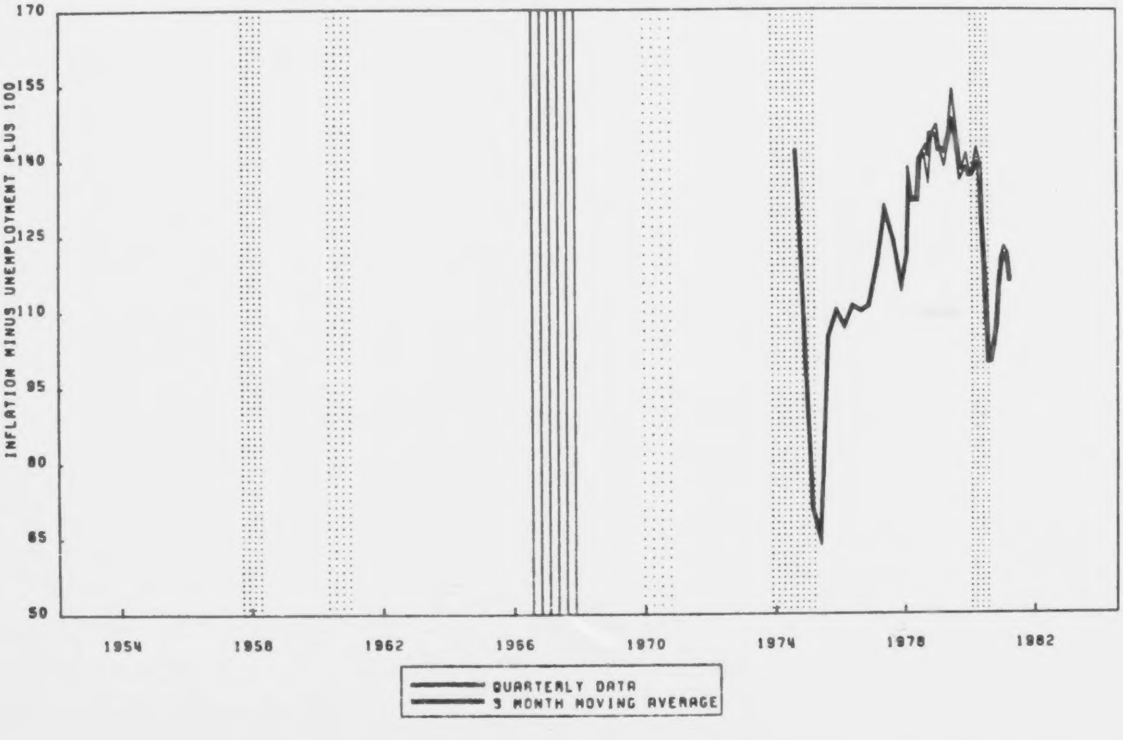

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
UNEMPLOYMENT	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%	39%
BOTH EQUALLY SERIOUS	8	14	16	11	11	10	9	11	11	9	14	8	11
INFLATION	65	59	43	45	41	44	50	48	57	57	49	56	49
DK,NA	2	1	1	1	3	3	3	1	1	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

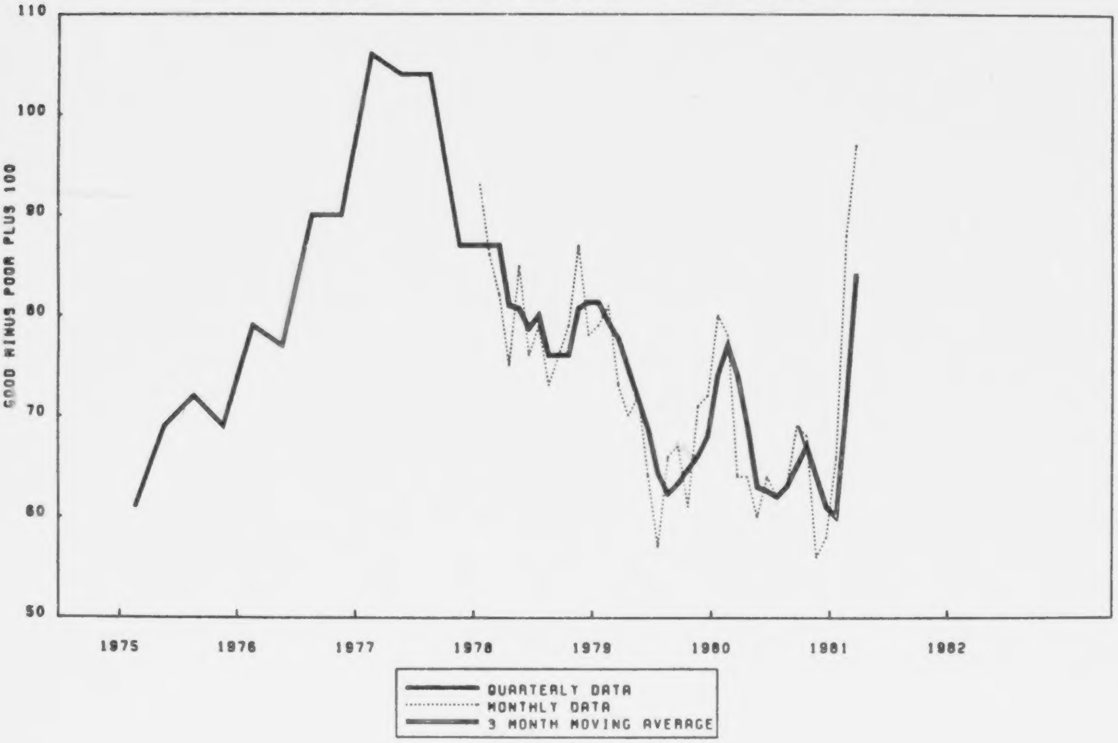

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

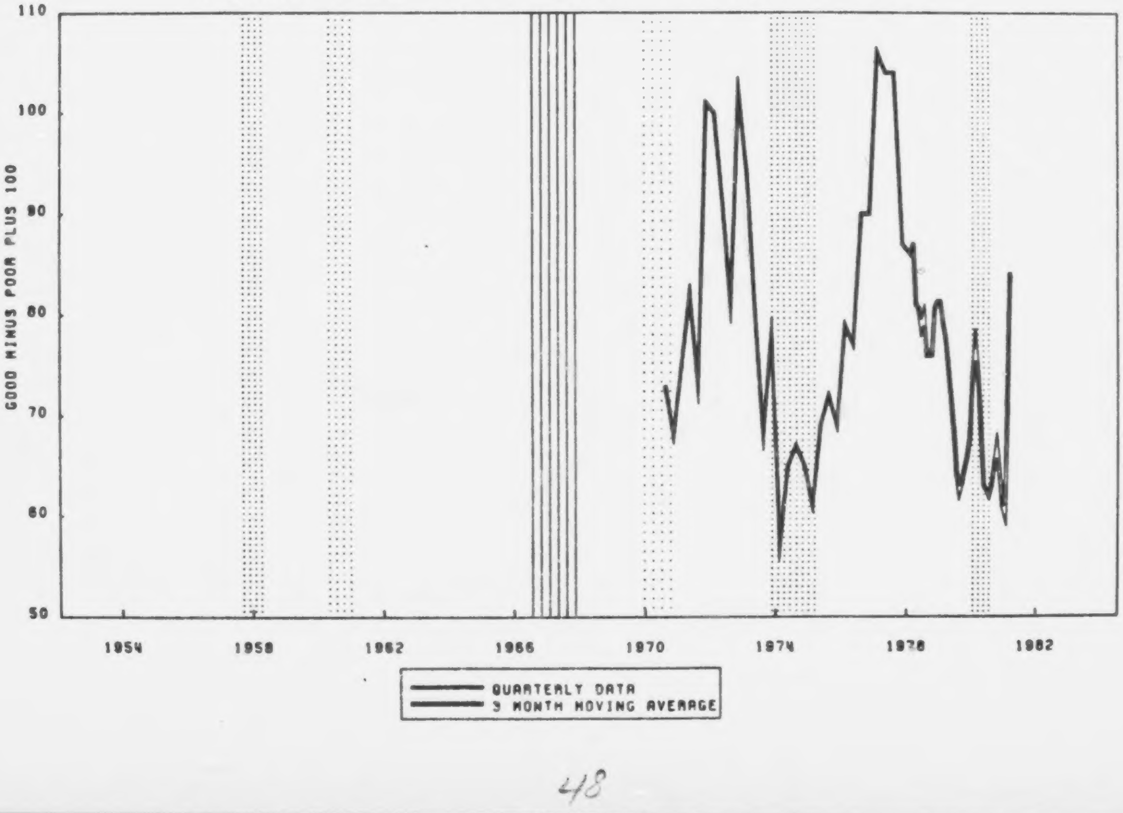

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
A GOOD JOB	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%	22%
ONLY FAIR	46	48	48	40	41	45	46	50	41	42	42	40	45
A POOR JOB	43	42	45	46	47	45	41	40	50	49	44	31	25
DK,NA	4	4	2	4	3	2	3	2	3	2	4	10	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

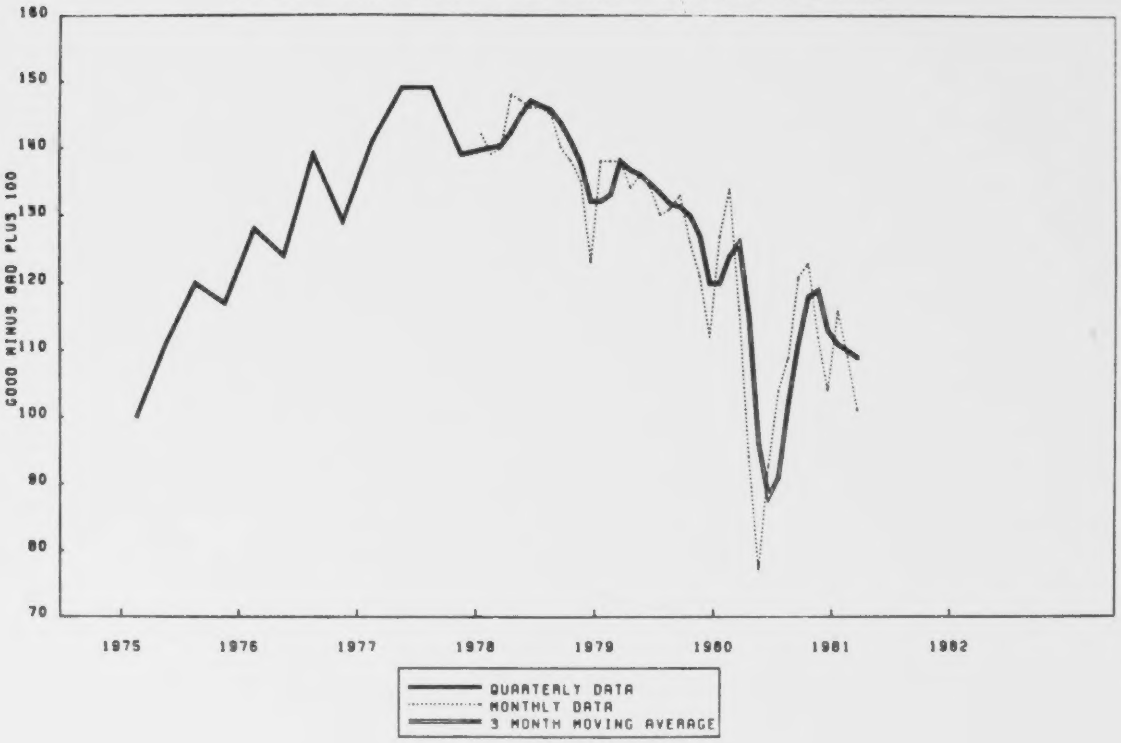

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

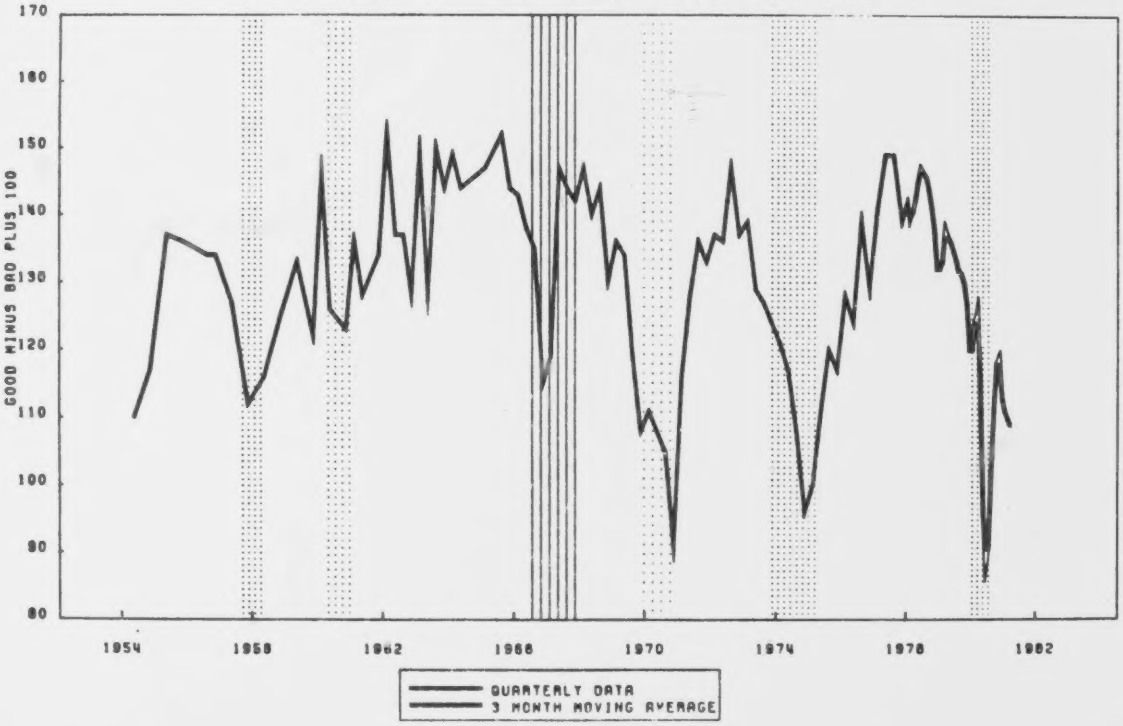

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%	43%
UNCERTAIN, DEPENDS	8	12	7	11	16	15	17	13	12	14	16	15	15
BAD TIME TO BUY	38	47	58	48	40	38	31	32	38	41	34	38	42
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%	22%
Prices won't come down; are going higher	43	28	23	26	22	27	31	30	31	24	28	24	23
Interest rates low; credit is easy	5	3	2	3	5	5	3	4	2	3	2	3	1
BAD TIME TO BUY:													
Prices are high	23	30	34	29	23	23	20	16	23	26	17	24	23
Interest rates are high; credit is tight	19	28	31	24	19	16	13	17	17	22	25	26	22
Lack of purchasing power	12	14	16	15	20	14	12	11	11	11	11	13	16

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

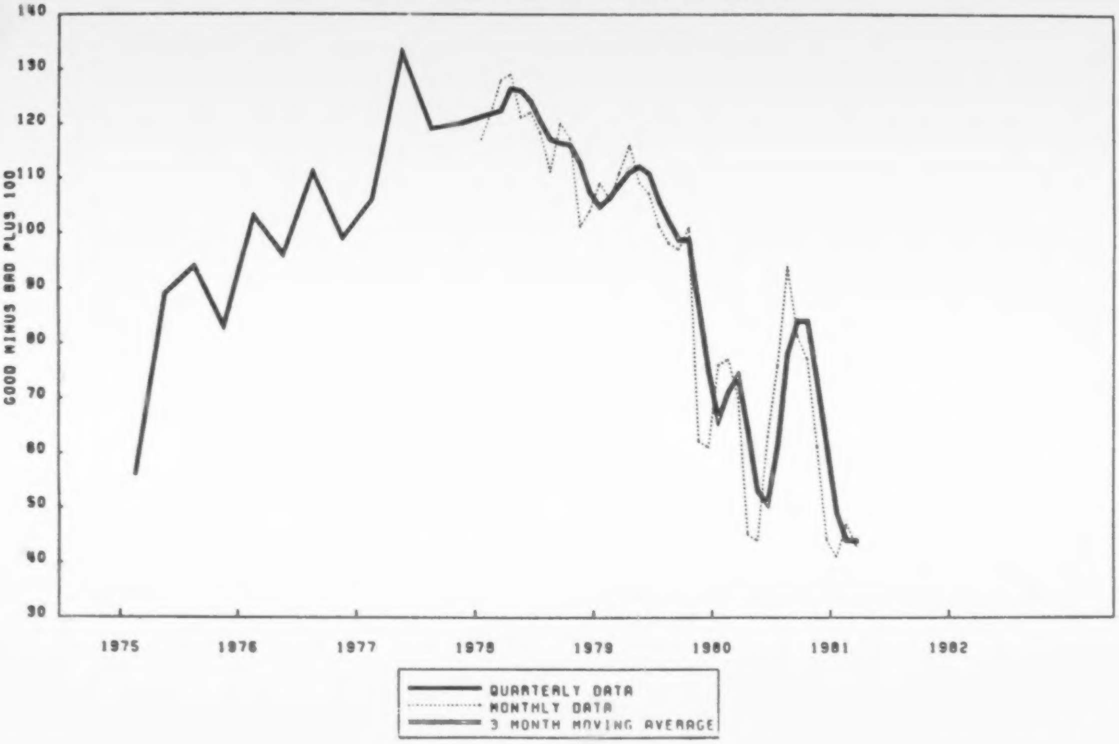

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

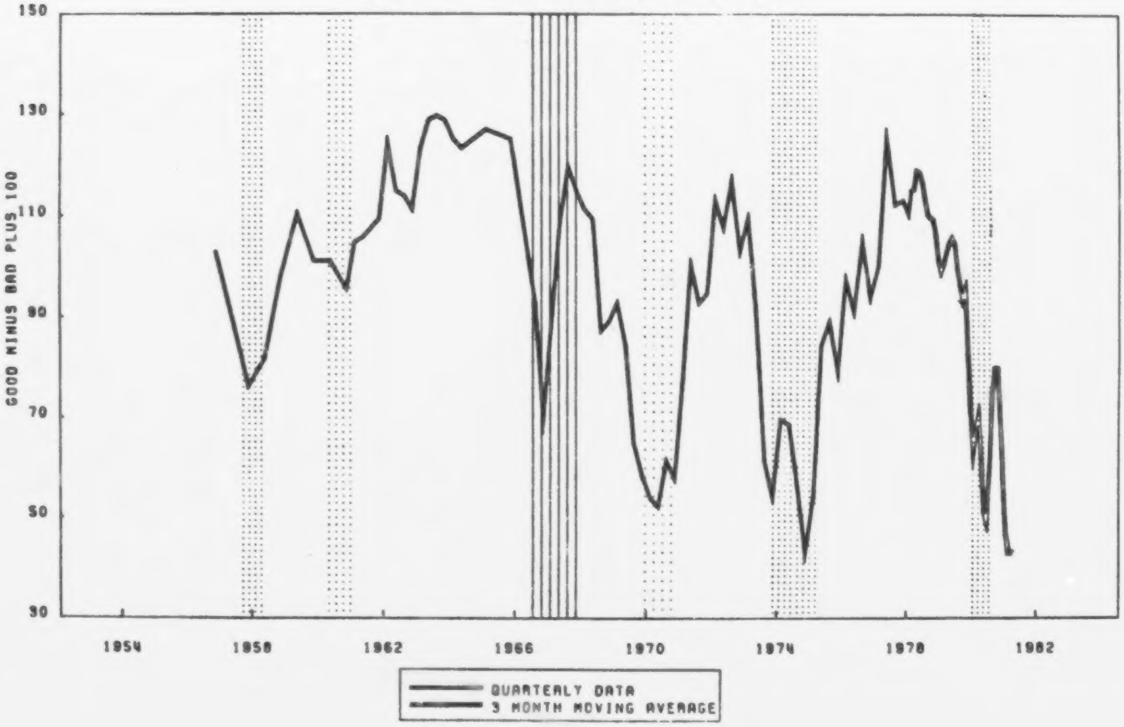

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%	20%
UNCERTAIN, DEPENDS	6	7	8	5	8	6	5	5	5	6	5	5	3
BAD TIME TO BUY	62	74	74	66	58	50	57	59	67	75	77	74	77
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%	4%
Prices won´t come down; are going higher		8	8	11	12	14	17	17	16	10	12	10	9
Interest rates low; credit is easy		3	6	16	23	28	22	16	10	6	4	7	5
Good investment		9	7	5	6	10	9	8	7	6	7	10	7
BAD TIME TO BUY:													
Prices are high		31	30	27	30	26	29	27	28	28	32	31	32
Interest rates are high; credit is tight		76	75	66	53	41	50	56	66	77	76	73	76
Lack of purchasing power		8	9	10	15	12	11	12	11	12	10	14	13

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

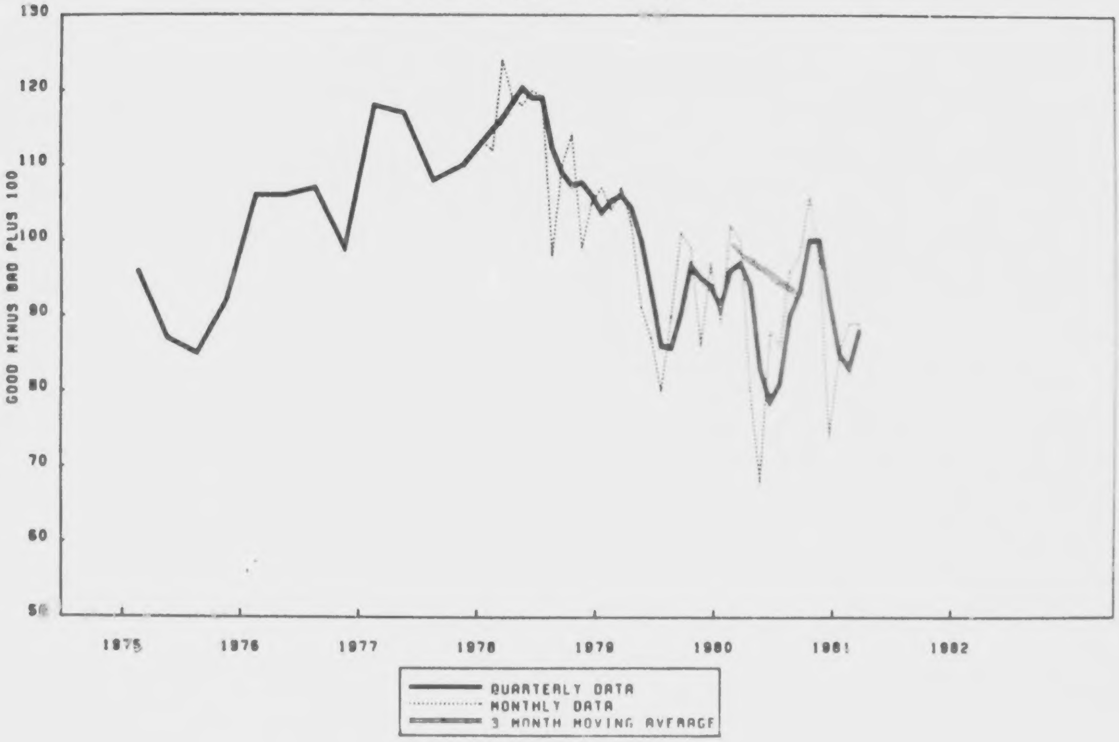

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

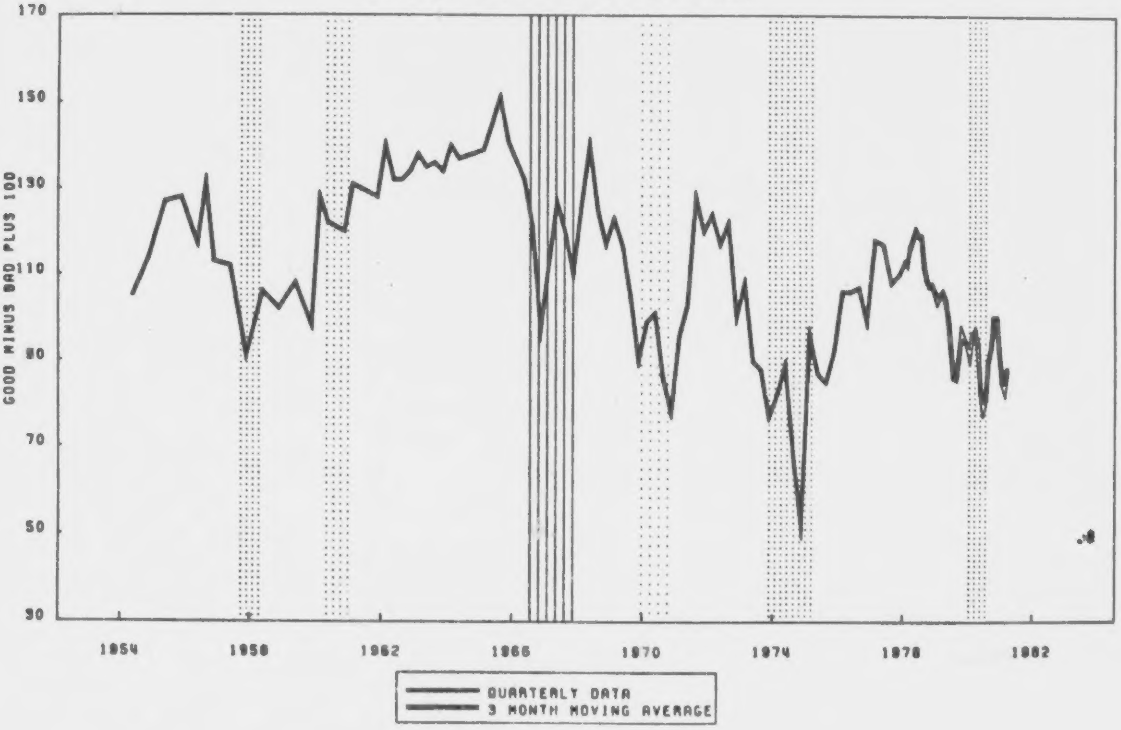

TABLE 30

BUYING CONDITIONS FOR CARS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%	39%
UNCERTAIN; DEPENDS	10	10	10	14	14	12	14	16	15	8	13	11	11
BAD TIME TO BUY	45	55	61	49	50	46	44	39	44	59	51	50	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%	30%
Prices won't come down; are going higher	22	10	8	9	13	12	19	17	16	12	13	12	10
Interest rates low; credit is easy	3	4	1	3	4	4	4	3	3	4	5	3	2
New fuel efficient models	13	12	6	5	3	7	9	12	7	5	4	4	6
BAD TIME TO BUY:													
Prices are high	25	32	30	24	27	27	31	23	28	31	33	31	34
Interest rates are high; credit is tight	17	24	29	22	11	11	10	14	17	29	28	27	21
Lack of purchasing power	6	6	7	6	9	9	6	8	7	9	7	7	10
Price of gas; shortages	16	16	15	9	6	5	5	4	4	5	4	8	6
Poor selection; quality	9	8	7	10	13	13	11	13	10	12	9	9	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROBABLY WILL BUY	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%	14%
CHANCES ARE EVEN		7	7	8	5	7	6	7	6	6	8	7	6
PROBABLY WILL NOT BUY		69	67	68	67	61	70	67	66	67	66	62	67
DK,NA		8	13	12	11	16	8	11	11	13	11	15	13
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%	20%
PURCHASE TYPE:													
Buy new		11	7	9	10	8	11	12	11	8	11	10	9
Buy used		9	9	7	11	12	9	7	9	9	8	10	9
Lease		2	1	1	1	1	1	2	*	1	1	1	1
DK,NA		1	3	3	*	2	1	1	3	2	3	2	1
PURCHASE TIMING:													
Next 3 months		4	2	1	5	3	1	3	4	2	3	1	1
Next 4-6 months		6	6	6	5	5	6	4	3	3	5	6	4
Next 7-9 months		6	5	5	3	4	2	7	6	5	6	7	5
10 months or more		2	3	5	4	4	4	4	4	5	4	3	5
DK,NA		5	4	3	5	7	9	4	6	5	5	6	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%	67%
PURCHASE TYPE:													
Would buy new		40	39	38	40	35	38	44	38	37	35	33	34
Would buy used		26	25	27	24	24	30	20	26	27	29	28	28
DK,NA		3	3	3	3	2	2	3	2	3	2	1	5
PURCHASE TIMING:													
Less than 2 years		8	7	6	4	6	5	5	6	7	6	5	6
2 years		14	17	21	20	18	23	20	23	20	17	23	23
3 years		12	10	11	10	8	12	15	11	12	12	9	9
4 years or more		20	19	20	21	21	18	15	15	18	19	16	19
Indefinite		6	4	3	4	4	4	3	5	3	5	3	3
DK,NA		9	10	7	8	4	8	9	6	7	7	6	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U7475-2 U A

4/8/81

March 30, 1981

March 1981 Monthly Survey

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT UNCHANGED

** In the March 1981 Survey of Consumer Attitudes, the Index of Consumer Sentiment was 66.5, nearly equal to the 66.9 recorded in February 1981, but 10 Index-points higher than in the March 1980 survey. Following the all-time record low of 51.7, the Index improved at a very rapid pace, increasing 25 Index-points from May to November 1980. However, in the December 1980 survey, the Index fell to 64.5 from 76.7 in November, and has remained at that lower level since then.

** Among families with incomes of $20,000 or more, the Index of Consumer Sentiment stood at 72.1 in March 1981, more than 10 Index points above the March 1980 reading. The Index for families with incomes of $20,000 or more has remained unchanged during the first quarter of 1981.

** In comparison with a year earlier, changes expected in economic conditions have become more optimistic (although not evaluations of current conditions), while attitudes toward buying conditions for large household durables were lower in March 1981 than a year earlier.

** Interest rate expectations have significantly moderated in early 1981. In the March 1981 survey, 41 percent of all families expected interest rates to decline in the year ahead, significantly above the 10 percent recorded in March 1980. The proportion who expected interest rate increases fell to 29 percent in March 1981, from 71 percent in March 1980.

** Expected rates of inflation have continued to moderate in early 1981. In the March 1981 survey, consumers expected inflation to average 7.0% during the year ahead, down from 8.3% in the February 1981 survey, and significantly below the 12.0% recorded in March 1980. Among all families, 29 percent expected price increases in the year ahead to average 10% or more in March 1981, down sharply from the 53 percent who expected double-digit inflation in March 1980.

* * *

The March 1981 survey indicates that consumer sentiment has remained unchanged during the first quarter of 1981. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general. Buying attitudes have remained unfavorable due to high interest rates. In addition, the financial strains on consumers have led them to become more reluctant to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

Monitoring Economic Change Program
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Personal Finances

There was a small improvement in consumers' attitudes towards their own personal financial progress in the March 1981 survey. Despite the improvement, personal financial attitudes remain near record low levels in early 1981, as they have for most of the past two years. In March 1981, 29 percent reported that they were better off financially now than a year earlier, up from 27 percent in February 1981, and 24 percent in March 1980. Unfavorable evaluations of financial progress fell to 43 percent in March 1981, from 47 percent in February 1981 and 48 percent in March 1980. When explaining how their financial situation had changed, 40 percent of all families mentioned in the March 1981 survey that inflation had made them worse off, down from 47 percent in February 1981, and 47 percent in March 1980. Mentions of income increases were made by 26 percent of all respondents in March 1981, unchanged from the month earlier and year earlier readings. Throughout the past two years, consumers have more frequently mentioned inflation rather than income increases as the primary reason for their changed financial situation; in contrast, during the years 1976-1978, when personal financial optimism was rising, income increases were spontaneously mentioned more frequently than inflation.

Changes expected in personal financial situations during the year ahead were somewhat less favorable in early 1981 than in late 1980, although significantly higher than year earlier readings. Since reaching the record cyclical lowpoint in early 1979, personal financial expectations grew more optimistic until early 1980, when the improvement was dramatically reversed following the credit policy announced at that time. Personal financial expectations again rose until late 1980, when they again reversed due to rising interest rates.

The March 1981 survey revealed little change in nominal income expectations. Sixty-four percent of all respondents expected nominal income increases in March 1981 as well as in April 1980. Income increases of 10% or more were expected by 28 percent of all families in March 1981, just below the 30 percent recorded in April 1980. The maintenance of nominal income expectations, coupled with lower expected rates of inflation, have led to improved real income expectations. In March 1981, 14 percent of all families expected real income increases during the year ahead, up from 8 percent in March 1980, while 44 percent expected real income declines, down sharply from the 56 percent recorded in March 1980.

Business Conditions

Recent news in business conditions heard and recalled by consumers was more favorable in March 1981 than one year earlier. Although the news mix remained unfavorable in March 1981 by a margin of 57 percent unfavorable to 30 percent favorable, this ratio represents a sizable improvement from the overwhelmingly negative margin of 82 percent to 11 percent recorded one year earlier. The decline in reports of unfavorable news items involved fewer mentions of inflation (6 percent in March 1981, down from 17 percent in March 1980), and fewer mentions of high interest rates and tight credit (4 percent in March 1981, down from 22 percent in March 1980).

The decrease in unfavorable news mentions was not accompanied by an increase in reports of improving business conditions. More than two-thirds of all respondents in both March 1981 (67 percent) and March 1980 (69 percent) thought that business conditions had worsened during the prior year. Among all respondents, 17 percent reported that current business conditions were better than those of a year earlier, in March 1981 unchanged from the 15 percent recorded in March 1980.

After recording large improvements in late 1980, changes expected in business conditions have remained at the same level during the first three months of 1981. Among all families, 38 percent expected business conditions to be better during the year ahead while 21 percent expected business conditions to worsen. The favorable margin of 38 to 21 percent recorded in March 1981 was the reverse of the unfavorable margin of 14 to 42 percent recorded in March 1980. When asked why they thought business conditions would improve in the year ahead, the Reagan administration and changes in economic policies were mentioned by one-in-three respondents in the March 1981 survey, as in each monthly survey since Reagan's election.

When asked whether they expected a reduction in personal income taxes, 58 percent of all respondents in the March 1981 survey expected Congress to pass such a law, unchanged from the 58 percent recorded in February 1981 survey. Although the February and March 1981 surveys indicate that the majority expect a tax reduction, the growth in opinion has slowed with more than one-in-three remaining unconvinced that Congress will pass such a law.

Table A

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981	February 1981	March 1981
Yes	25%	46%	41%	58%	58%
No	64	42	43	29	32
Uncertain; don't know	10	11	15	11	8
Not ascertained	1	1	1	2	2
Total	100%	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

In the March 1981 survey, 59 percent expected bad times financially in the economy as a whole during the next 12 months, down from 62 percent in February 1981, and 76 percent in March 1980. Good times financially in the economy as a whole were expected by 27 percent in March 1981, up from 26 percent in February, and 14 percent in March 1980. Although short-term business expectations remain unfavorable, with twice as many families expecting bad rather than good times, the March 1981 reading nonetheless represents a significant improvement over a year earlier when five times as many families expected bad rather than good times financially in the economy as a whole.

Increases in unemployment were more frequently expected in March 1981 than in March 1980. Among all families, 41 percent expected unemployment to increase during the year ahead in March 1981, up from 24 percent in November 1980. Unemployment declines were expected by 13 percent in March 1981, down from 26 percent in November 1980. In comparison with a year earlier, however, increases in unemployment were less frequently expected in March 1981 (41 percent) than in March 1980 (57 percent).

Buying Conditions

Unfavorable attitudes toward buying conditions for houses, automobiles, and large household durables remained at high levels in the March 1981 survey. Attitudes toward buying conditions for houses returned to the all-time record unfavorable level first established in early 1980, while attitudes toward buying conditions for cars and household durables were somewhat less favorable than the year-earlier readings. High prices and high interest rates were the most frequently mentioned reasons for unfavorable opinions in the March 1981 survey.

During the first three months of 1981, unfavorable attitudes toward buying conditions for houses were held by three-in-four consumers. In both January and March 1981, 77 percent of all families—an all-time record level--thought it was a bad time to purchase a home, somewhat above the prior record of 74 percent recorded in April and May 1980. High interest rates continue to exert the dominant force in shaping unfavorable attitudes toward the housing market. In March 1981, 76 percent of all respondents mentioned high interest rates, unchanged from 76 percent in April 1980.

While attitudes toward buying conditions for automobiles remained unchanged in March from the February 1981 survey, attitudes were, on balance, 11 percentage points below year-ago levels. Favorable attitudes declined to 39 percent in the March 1981 survey from 45 percent in March 1980, while unfavorable buying attitudes increased to 50 percent from 45 percent a year earlier. Mentions of rebates and price discounts rose to 30 percent in March, from 22 percent in February 1981, and 19 percent in March 1980. Despite the increased awareness of rebates, complaints of high prices were also more frequently mentioned in March 1981, leaving overall market attitudes unchanged. Fewer respondents mentioned buy-in-advance price rationales in March 1981 (10 percent) than in March 1980 (22 percent), reflecting lower expected inflation rates.

Favorable attitudes toward buying conditions for large household durables posted a slight decline, falling to 43 percent in March 1981 from 47 percent in February 1981, and 54 percent in March 1980. While still remaining a dominant factor, mentions of high interest rates declined to 22 percent from 26 percent in February 1981.

* * *

The March 1981 Survey included 703 interviews conducted between February 23 and March 21, 1981.

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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

APRIL 1981

The April 1981 survey is the 129th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three-month moving average, plotted on the last of the three months.

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CHART I - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

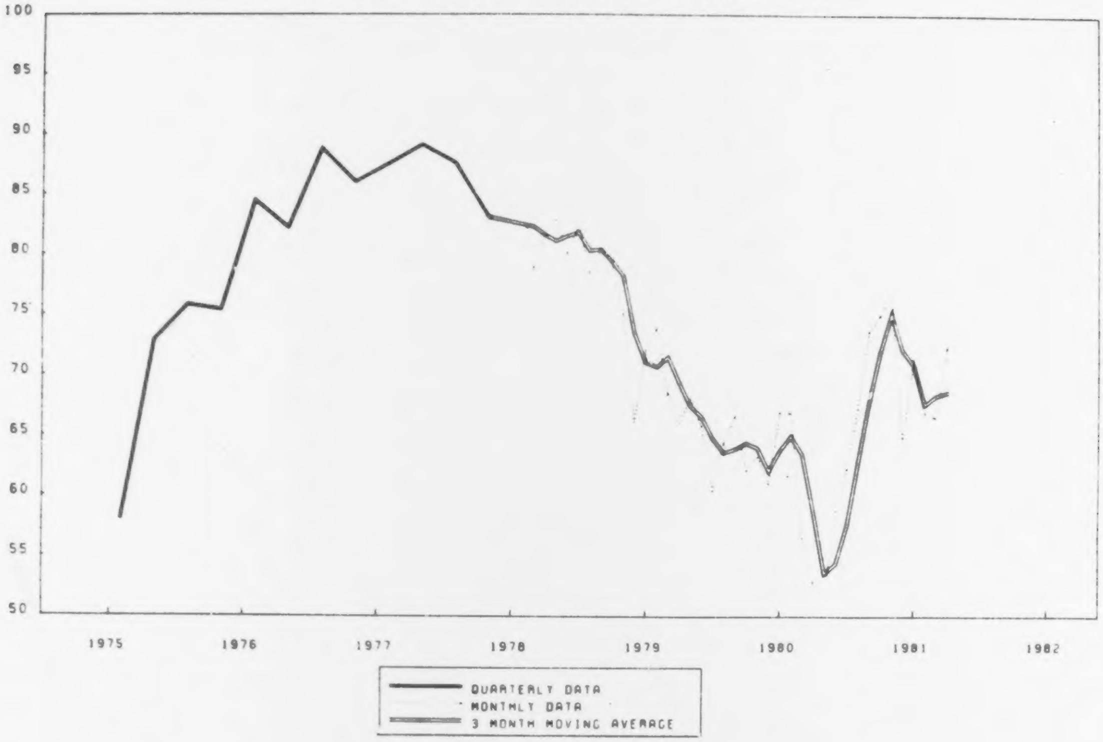


CHART I - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

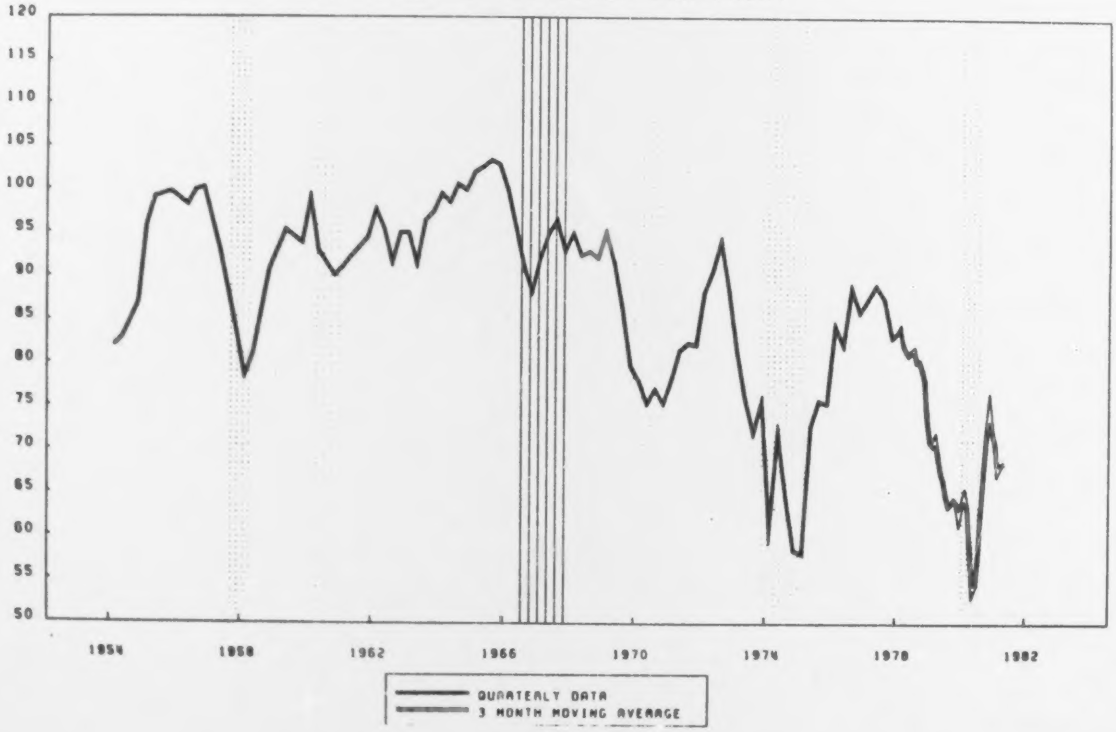


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
April	1978	81.6	94.5	92.9
May	1978	82.9	87.1	90.0
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

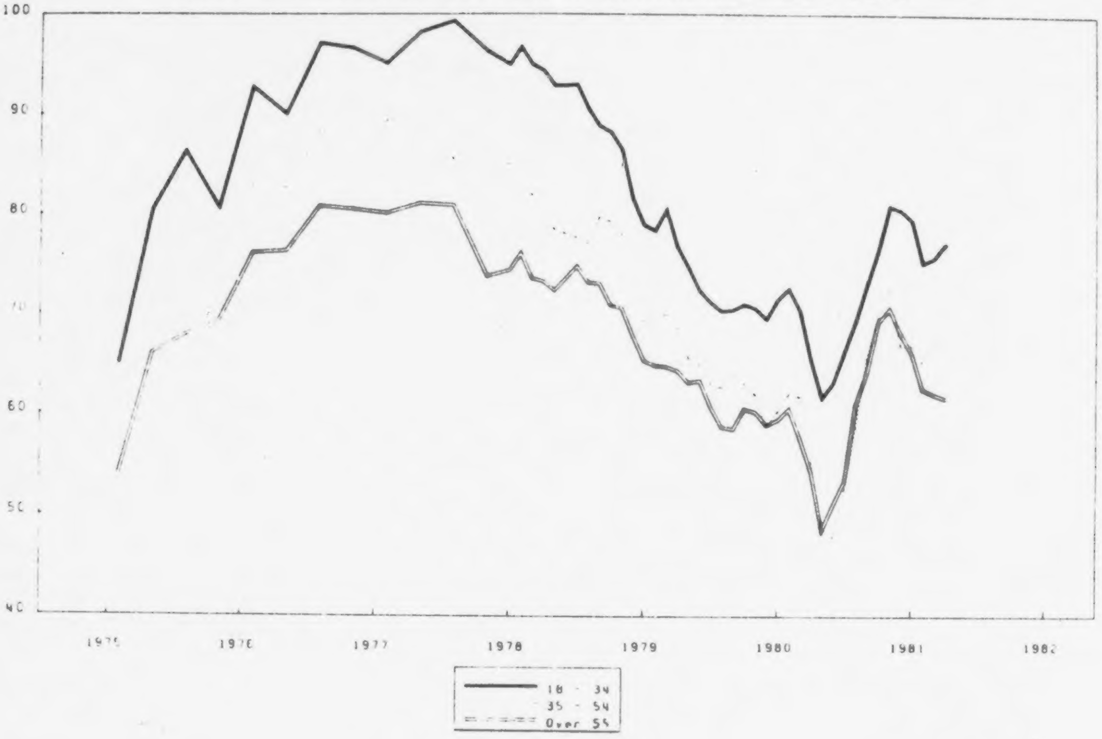


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

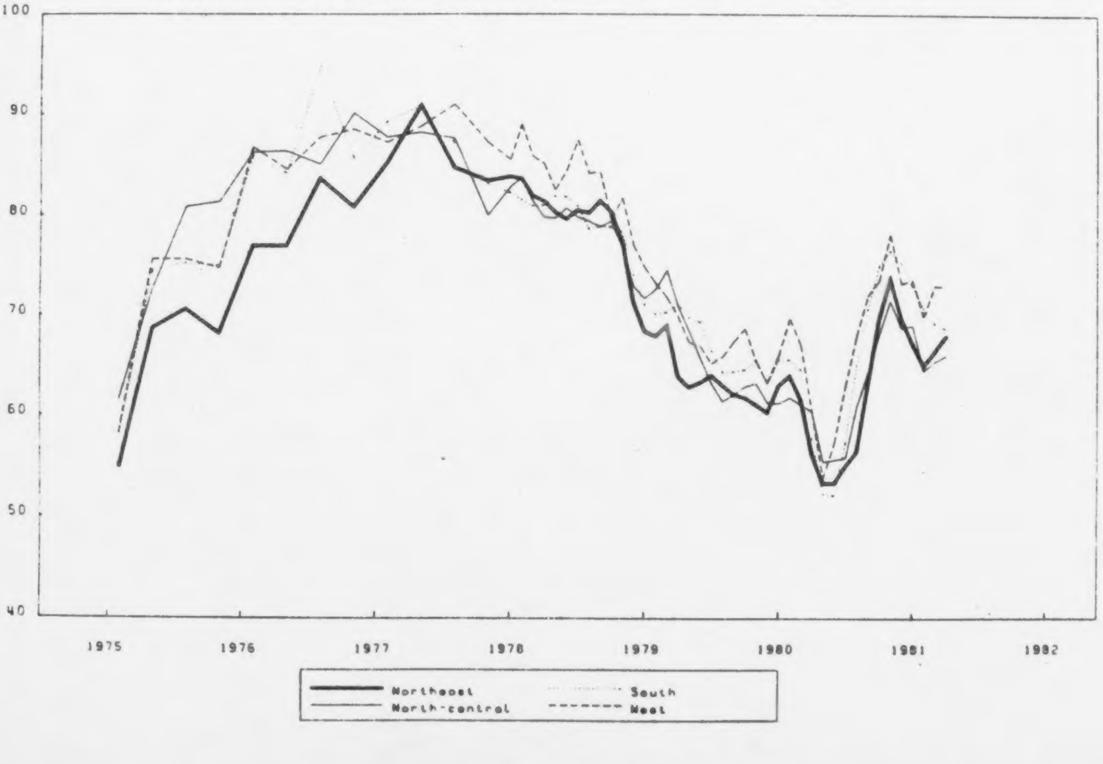


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

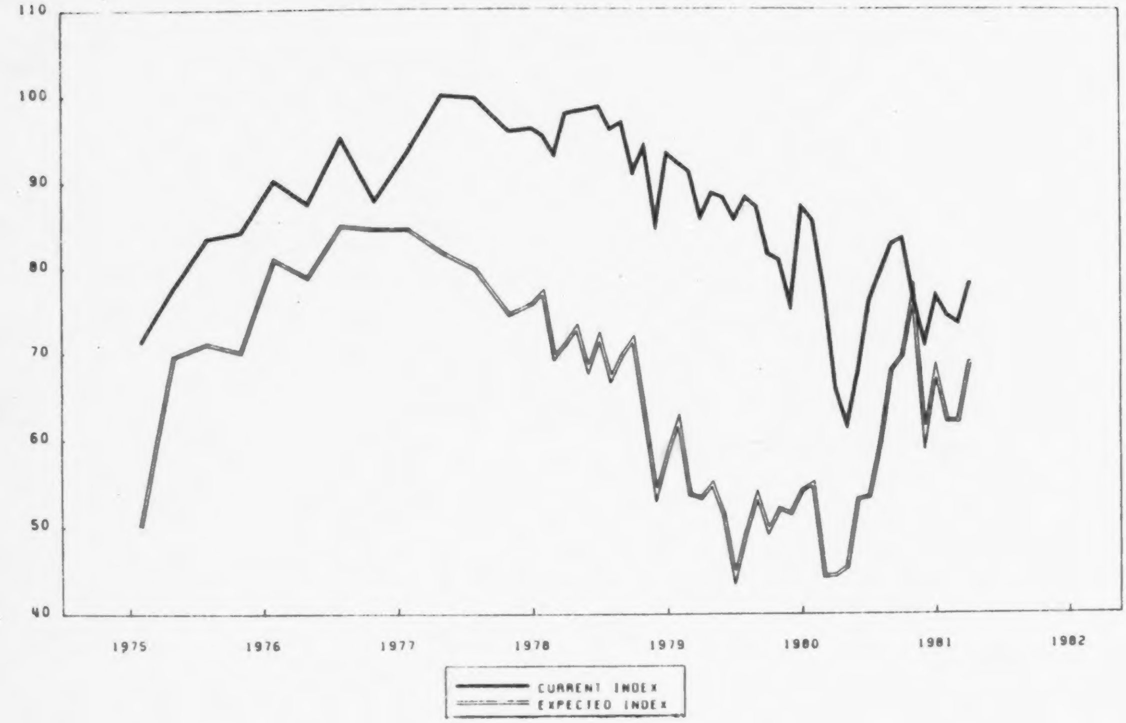


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

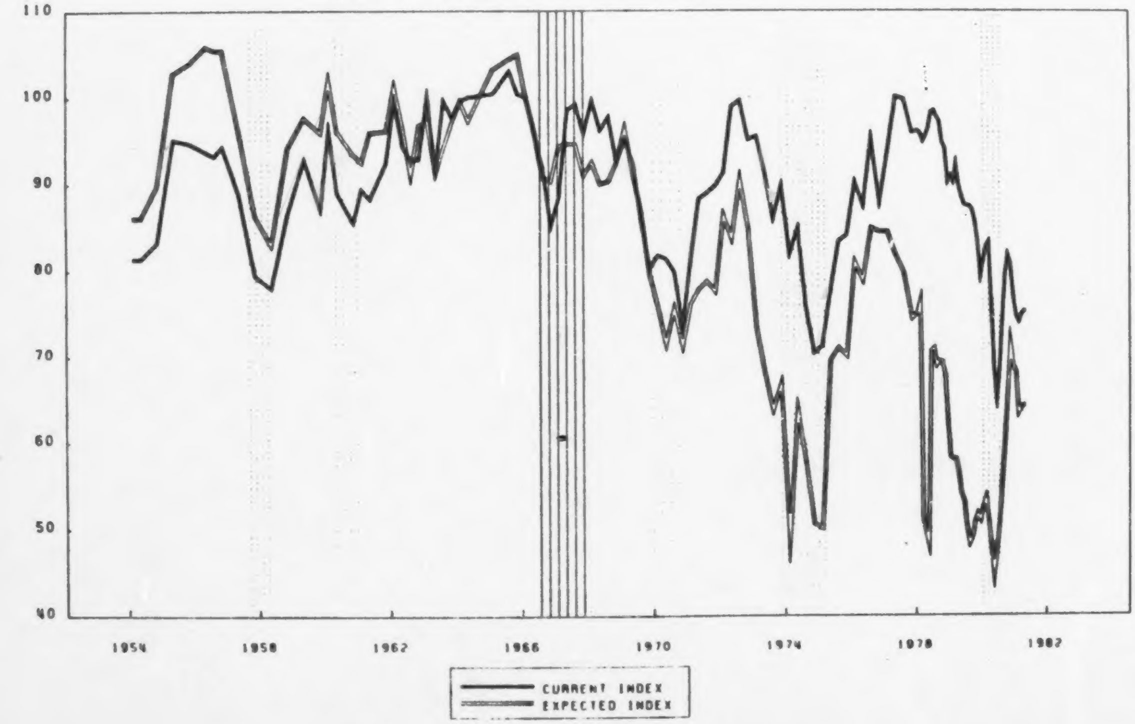


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

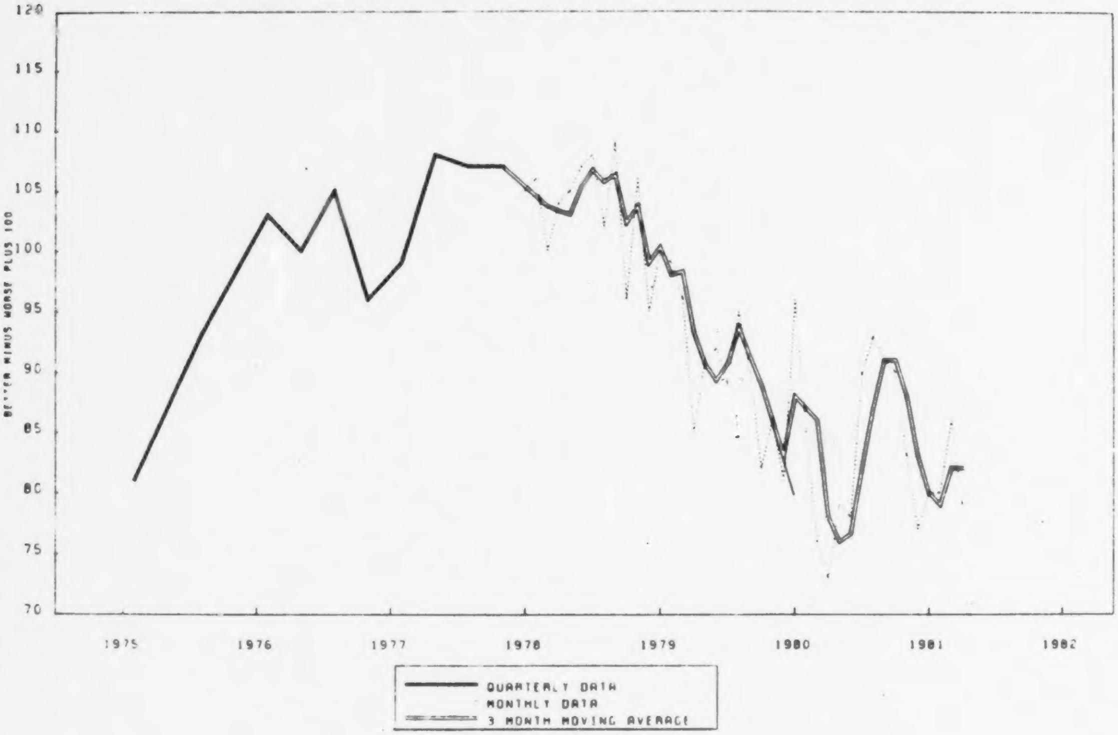


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

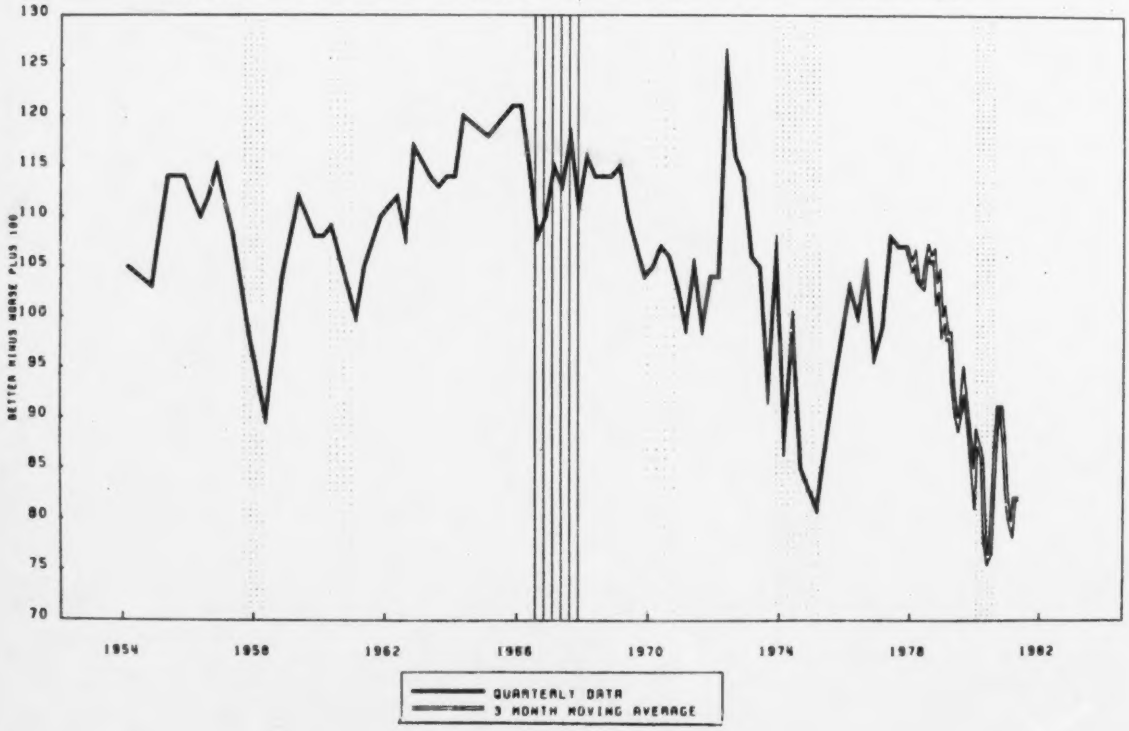


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
BETTER OFF	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%	29%	25%
SAME	25	26	26	29	26	27	30	26	26	30	26	28	28
WORSE OFF	51	47	47	40	40	40	40	45	48	45	47	43	46
DK,NA	*	1	2	1	1	2	*	1	1	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

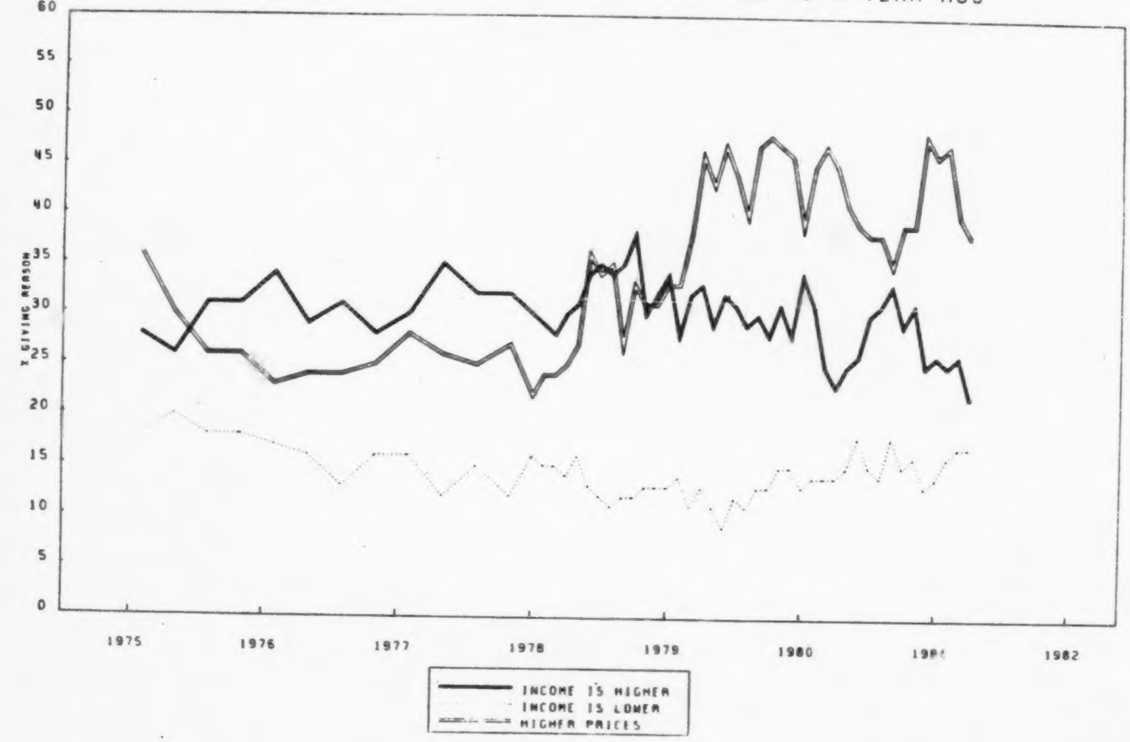


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%	26%	22%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	15	18	15	14	18	15	16	13	14	16	17	17
Higher prices	45	41	39	38	38	35	39	39	48	46	47	40	38

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

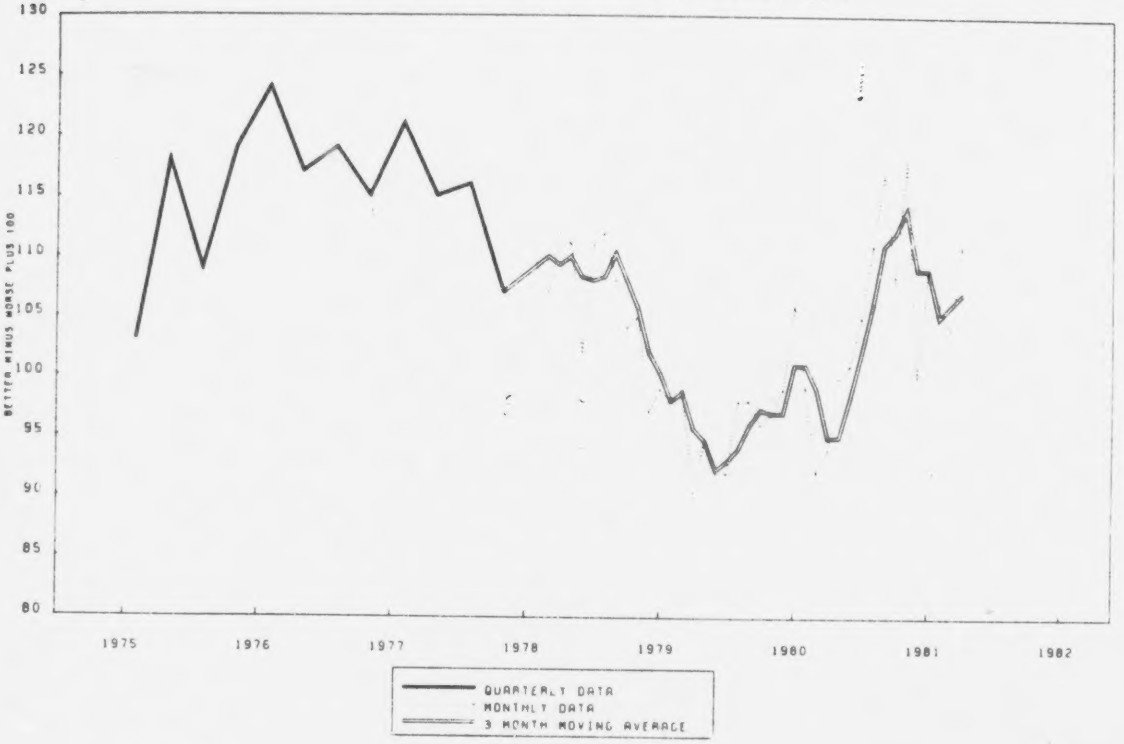


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

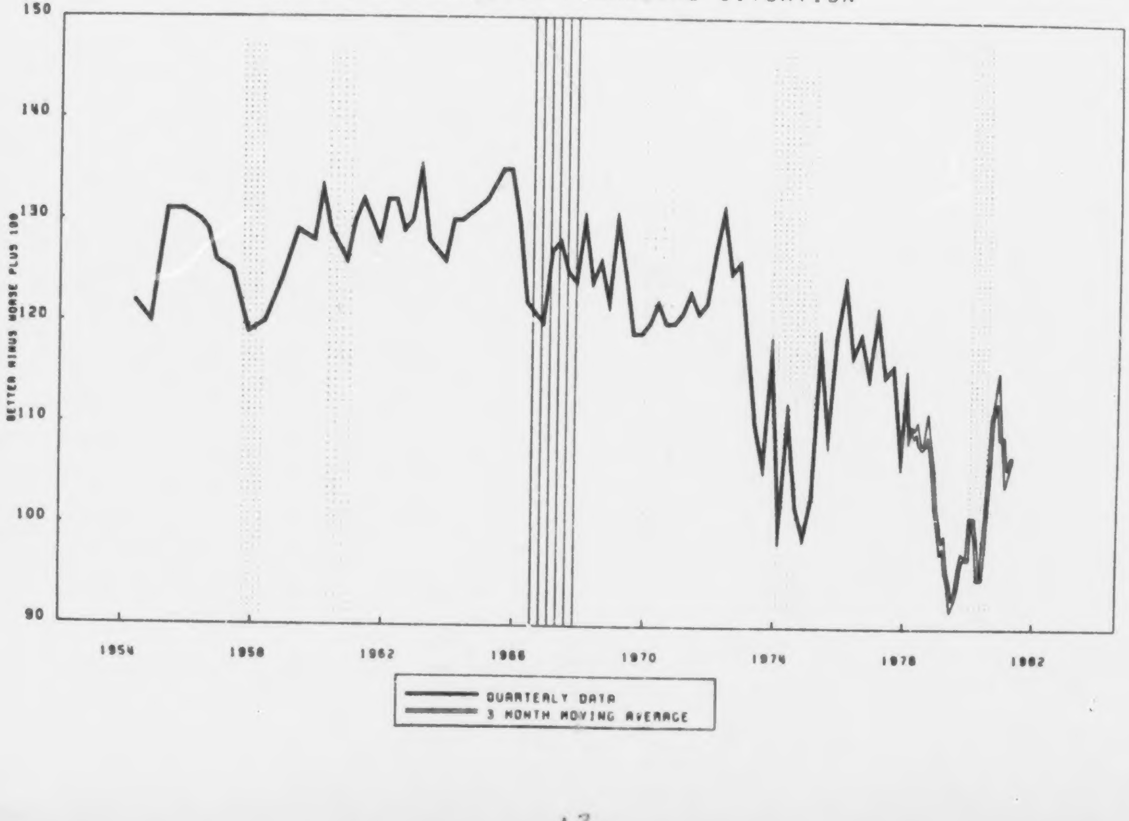


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
BETTER OFF	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%	28%	30%
SAME	42	43	46	48	48	45	50	42	45	48	48	45	47
WORSE OFF	31	27	25	21	19	17	17	17	25	18	20	24	19
DK,NA	2	3	3	5	3	4	8	6	5	7	6	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

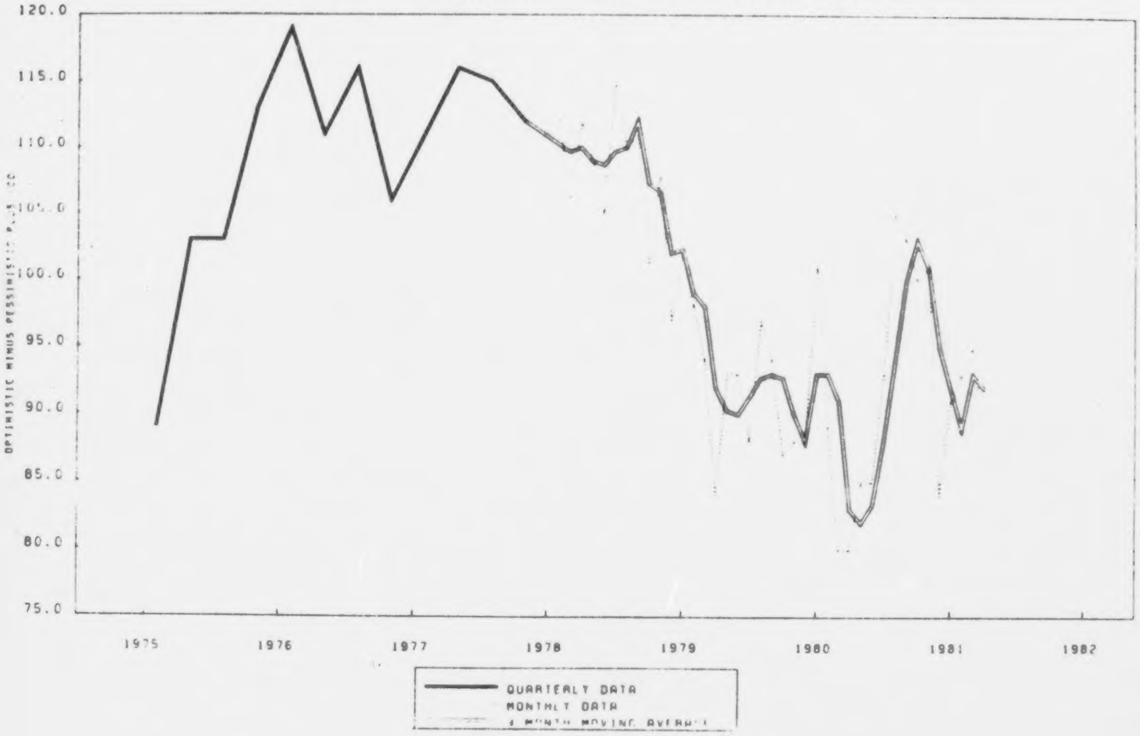


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

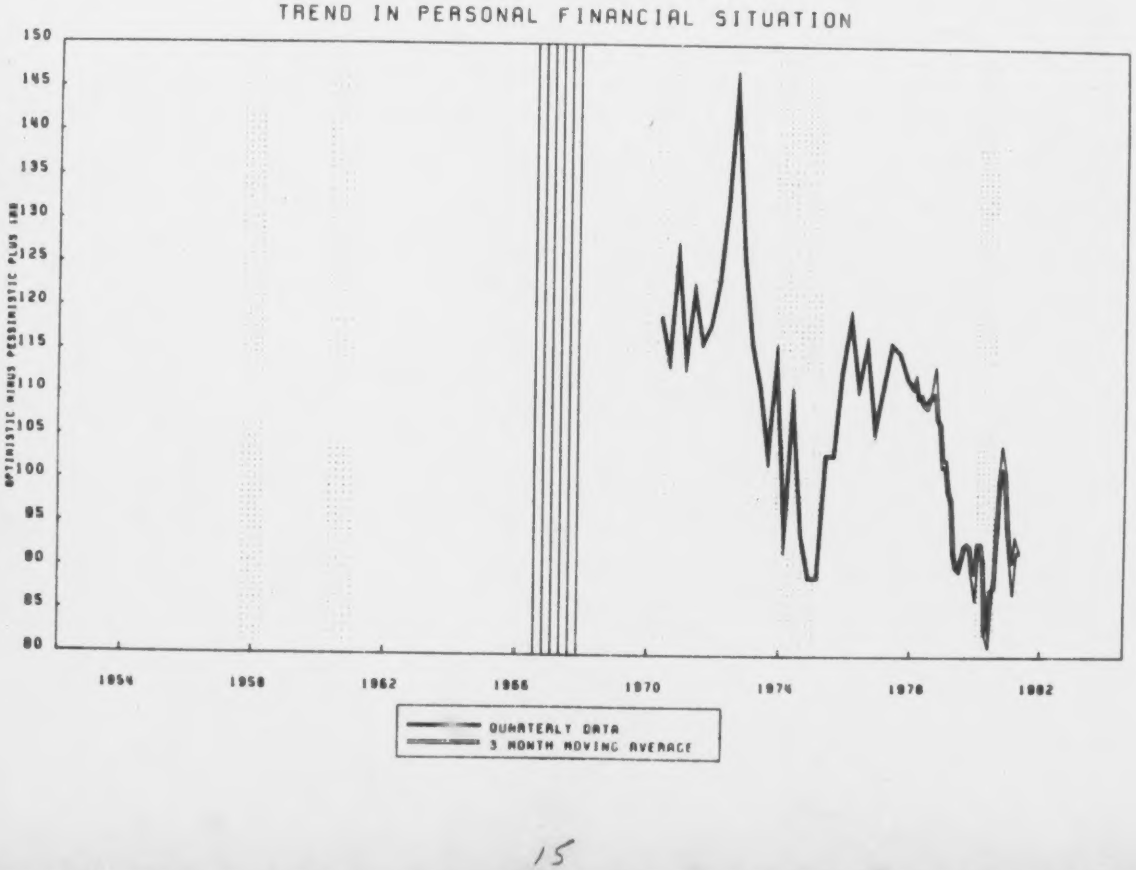


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%	12%	11%
Intermittant increase (b)	16	17	16	19	22	19	20	19	18	17	20	19	16
Remain unchanged (c)	14	12	14	14	16	15	18	13	12	16	15	15	14
Intermittant decline (d)	23	27	27	28	17	21	21	22	28	25	23	22	27
Continuous decline (e)	21	16	14	10	12	9	11	9	15	11	12	14	11
Mixed change (f)	16	14	15	11	18	16	10	18	13	14	16	14	15
DK,NA	2	3	4	6	3	6	8	6	5	7	6	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
EXPECT INCREASE:													
1-4%	5%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%	7%	6%
5%	8	7	7	8	10	7	7	10	7	8	7	9	8
6-9%	14	12	13	11	15	16	15	10	12	10	10	11	11
10-24%	23	24	25	20	20	21	21	26	22	21	20	21	22
25% or more	7	6	8	5	6	5	7	7	7	6	7	7	7
DK how much up	7	8	8	10	9	10	10	8	8	9	9	9	9
EXPECT SAME	25	22	21	21	21	21	21	24	22	24	24	21	25
EXPECT DOWN	9	13	12	18	11	10	9	7	11	12	11	12	10
DK, NA	2	2	1	2	2	3	2	3	3	4	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

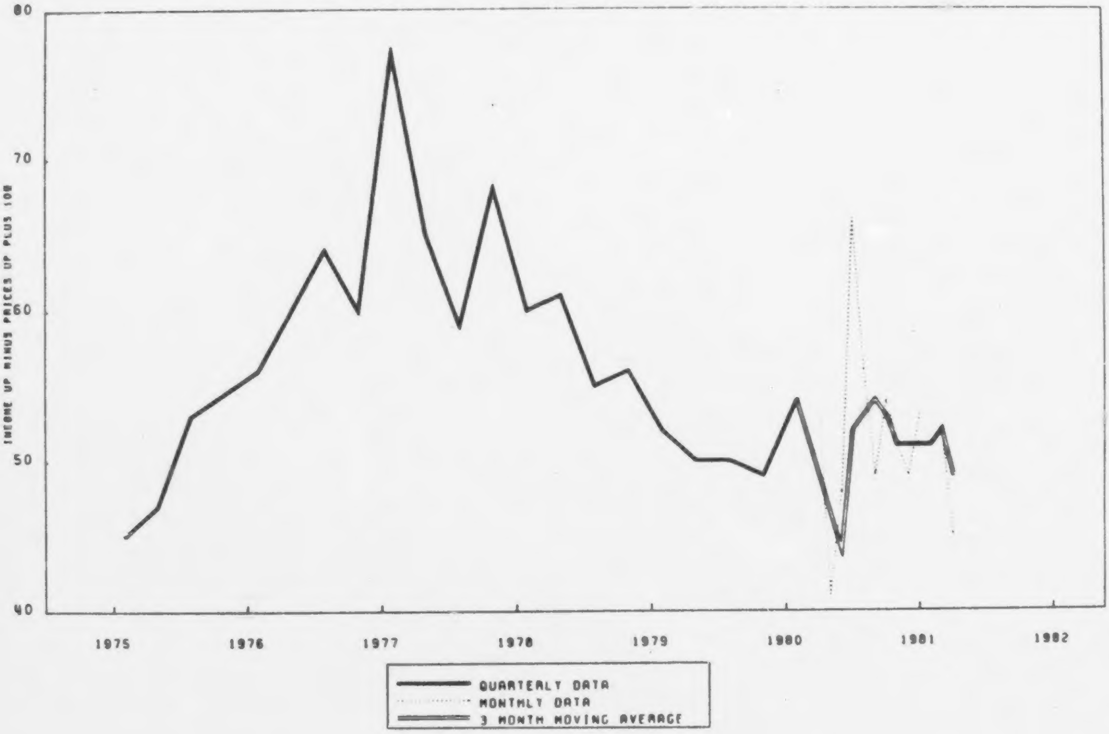


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
INCOME UP MORE	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%	13%	9%
INCOME UP SAME	22	22	25	30	29	24	25	30	24	25	28	24	26
PRICES UP MORE	66	67	63	56	57	63	59	59	62	60	59	61	64
DK,NA	1	3	1	2	1	1	3	1	3	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

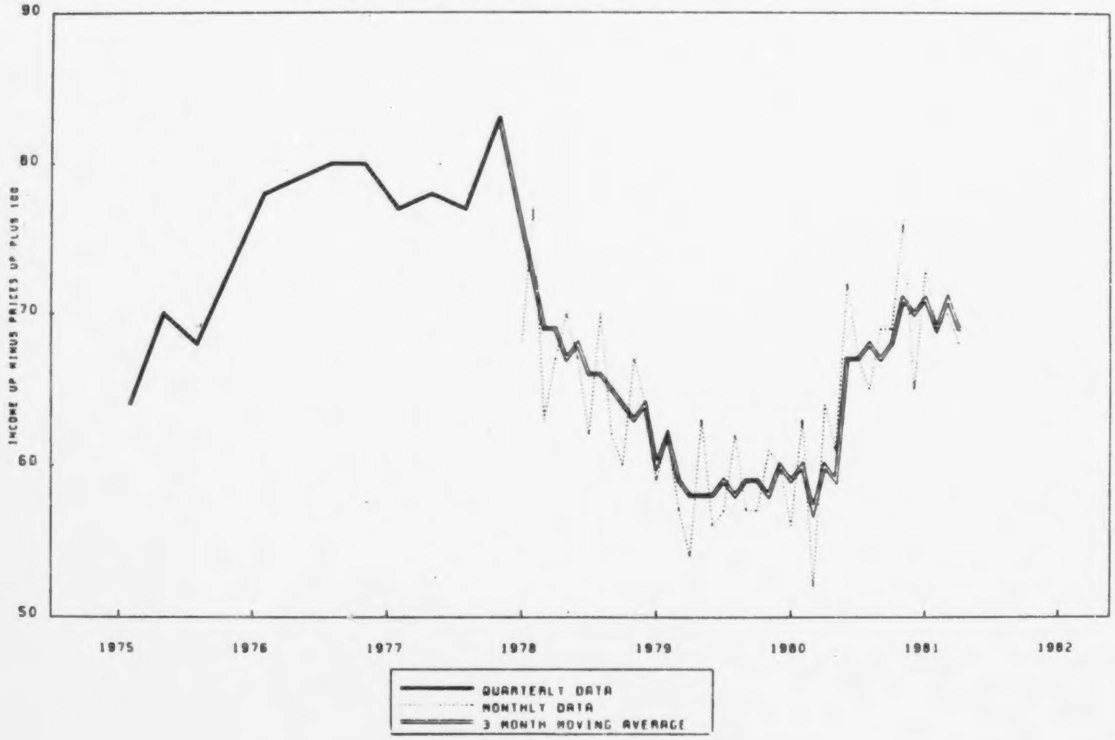


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
INCOME UP MORE	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%	14%	13%
INCOME UP SAME	37	34	41	38	40	38	42	42	36	39	43	38	39
PRICES UP MORE	48	51	42	45	46	45	43	40	47	41	42	44	45
DK, NA	3	3	3	5	3	3	3	2	5	6	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

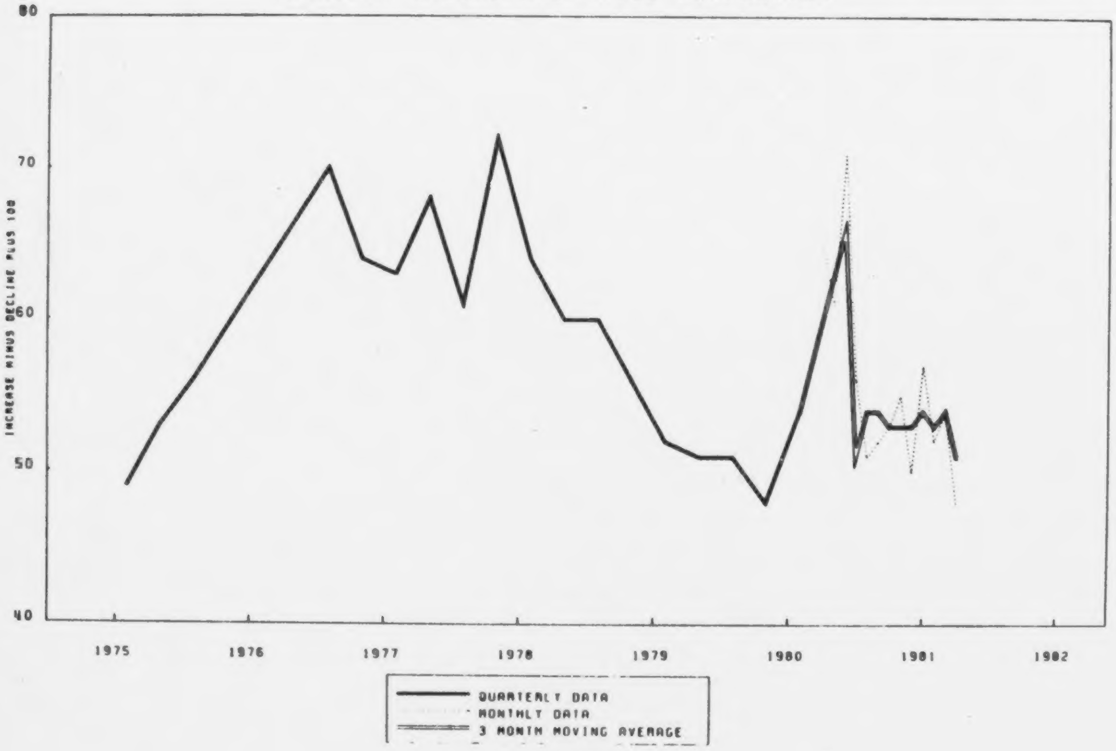


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%	6%	4%
Intermittant increase (b)	8	9	8	9	11	9	6	9	7	8	8	9	7
Remain unchanged (c)	13	11	16	17	17	14	18	17	14	17	18	14	17
Intermittant decline (d)	24	22	26	23	22	23	25	27	24	22	25	26	25
Continuous decline (e)	41	44	35	35	37	39	34	33	38	35	35	35	38
Mixed change (f)	6	6	7	5	6	6	7	5	6	6	5	5	6
DK,NA	4	6	3	6	4	4	4	3	6	6	5	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

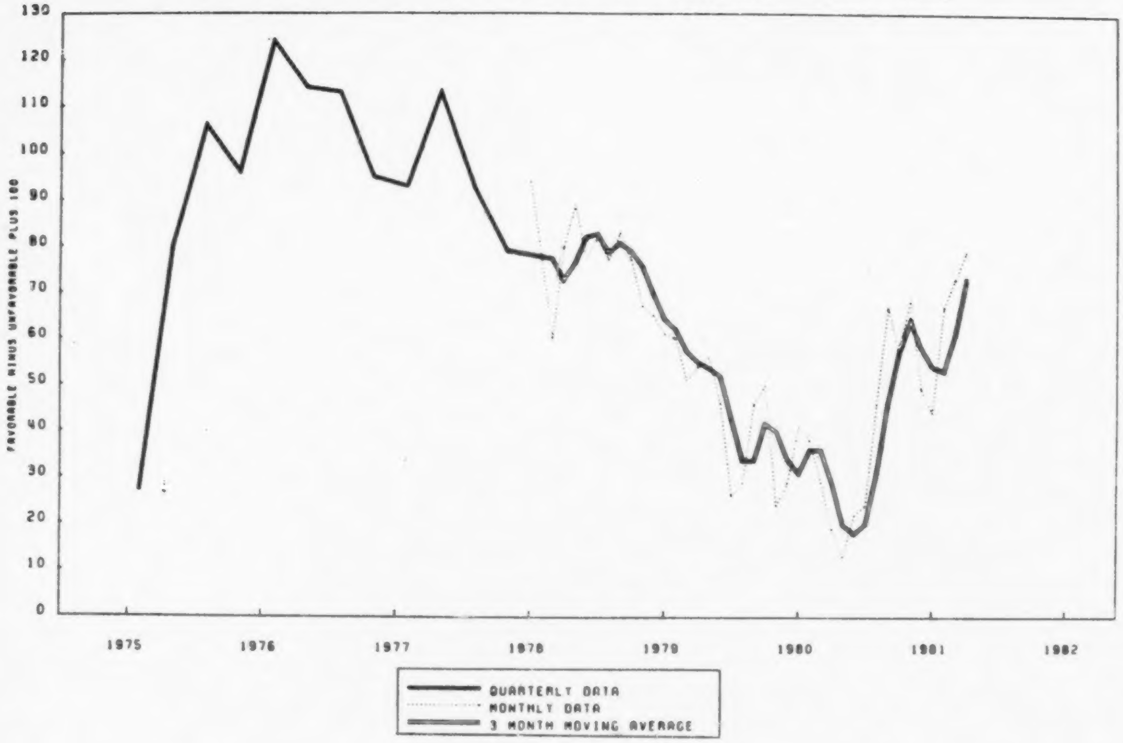


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

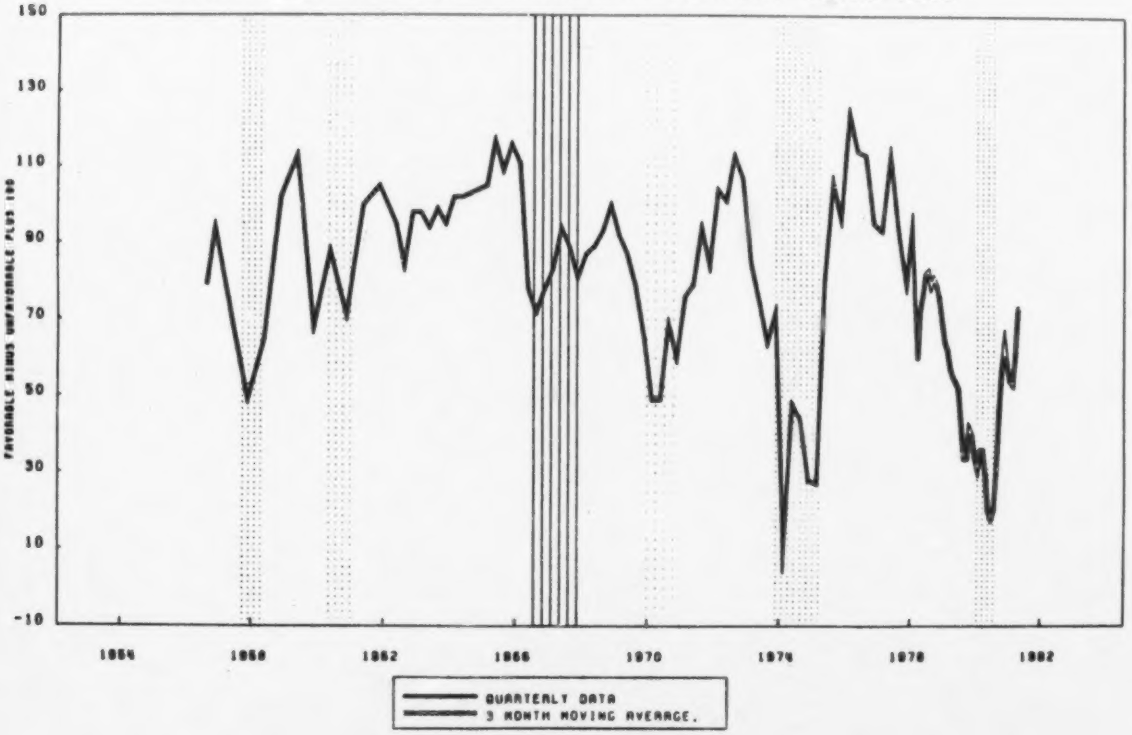


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
FAVORABLE NEWS	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%	30%	28%
UNFAVORABLE NEWS	91	97	93	95	78	63	72	58	68	75	56	57	49
NO MENTIONS	35	30	29	30	34	38	33	47	44	39	46	42	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
FAVORABLE NEWS:													
Government; elections	1%	*	1%	*	1%	2%	1%	7%	4%	4%	9%	9%	6%
Employment	3	1	3	4	7	7	10	7	5	4	5	8	7
Consumer demand high	1	*	1	1	1	3	3	2	1	2	1	1	3
Prices are low	1	1	1	1	*	1	2	1	*	*	1	1	2
Credit is easy	*	5	7	7	8	7	3	1	*	3	3	4	5
UNFAVORABLE NEWS:													
Government; elections	3	4	2	4	3	1	4	3	2	4	5	7	7
Unemployment	21	40	50	43	31	25	26	21	18	19	15	19	19
Consumer demand low	9	10	9	12	12	8	8	8	11	14	9	10	6
Prices are high	17	11	8	12	13	10	10	9	8	11	10	6	6
Credit is tight	24	16	9	5	5	8	12	9	19	14	7	4	4
Energy crisis	1	*	1	1	1	*	1	*	1	1	*	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

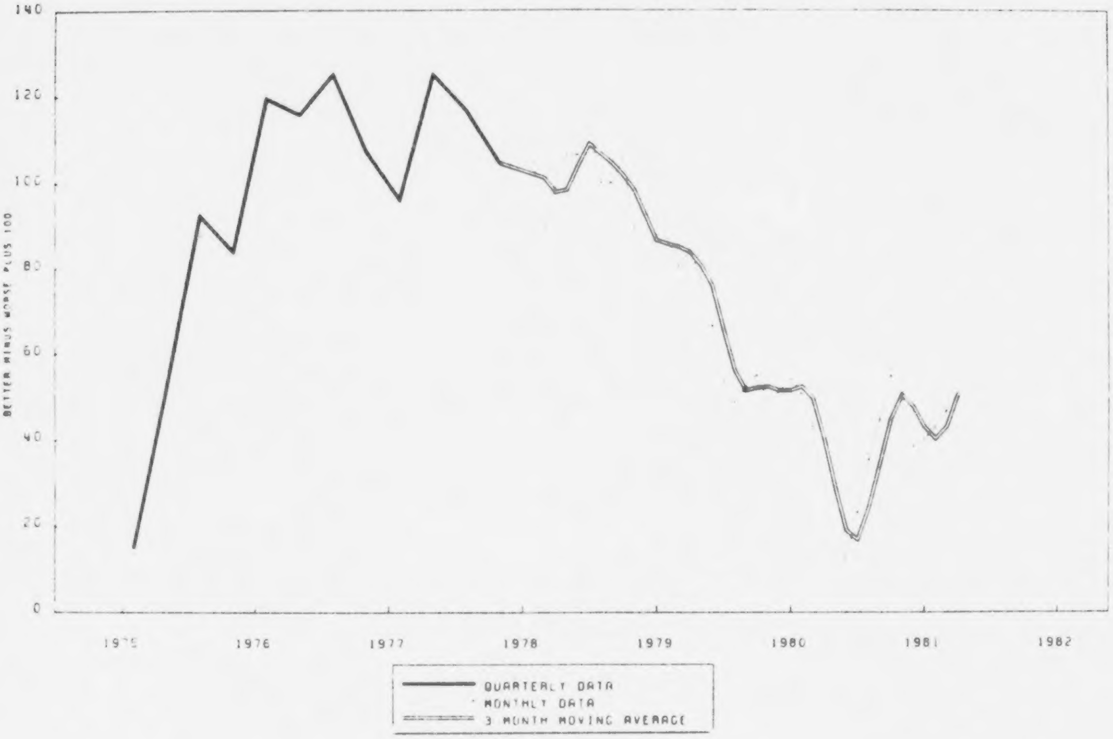


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

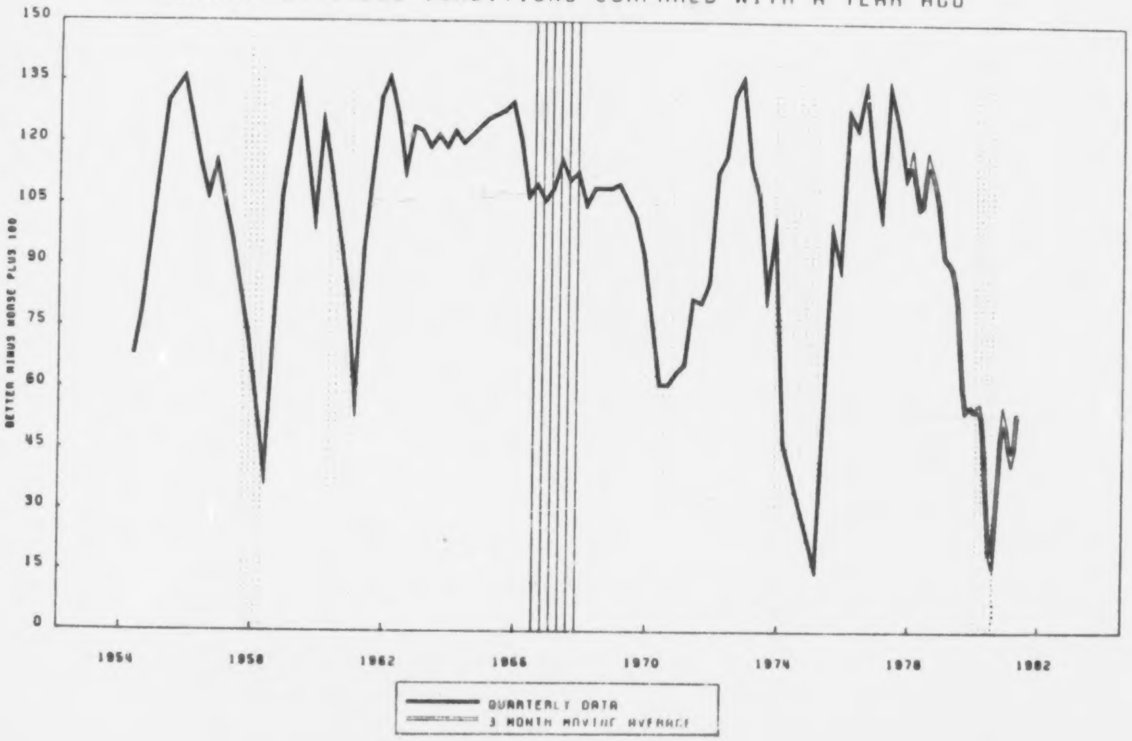


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
BETTER NOW	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%	17%	24%
SAME	10	4	5	4	7	10	10	10	12	13	15	14	17
WORSE NOW	79	90	90	85	77	70	64	67	72	71	68	67	57
DK,NA	1	*	1	1	1	2	3	2	3	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

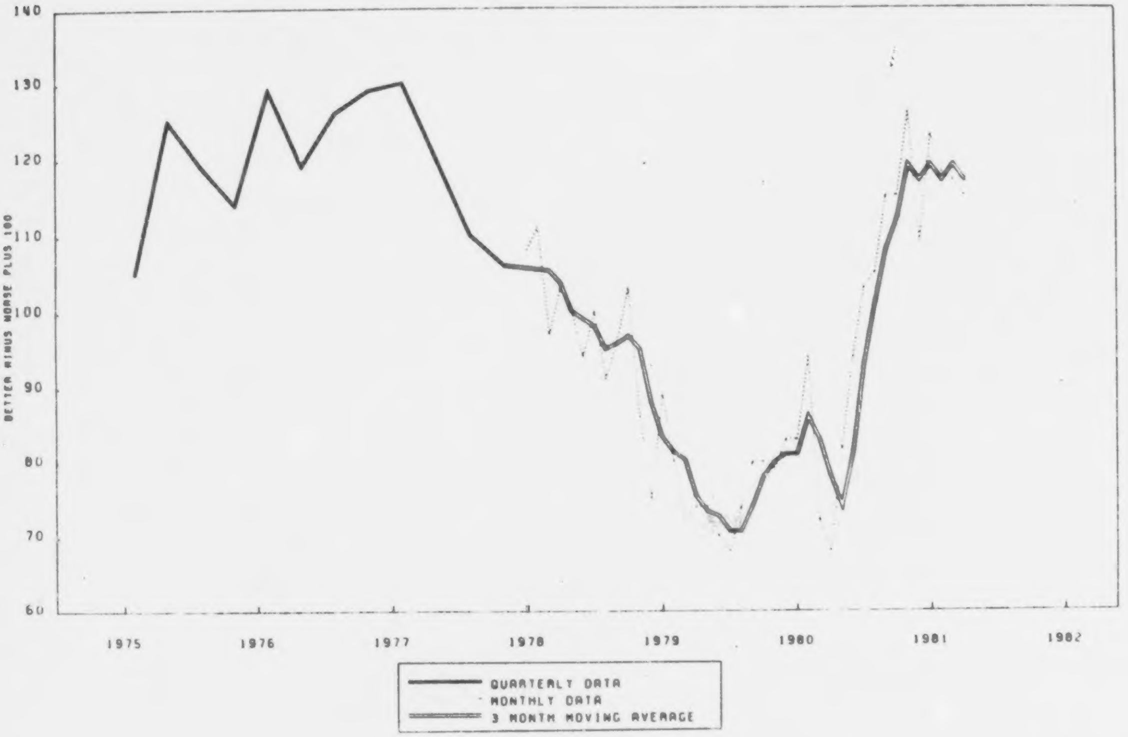


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

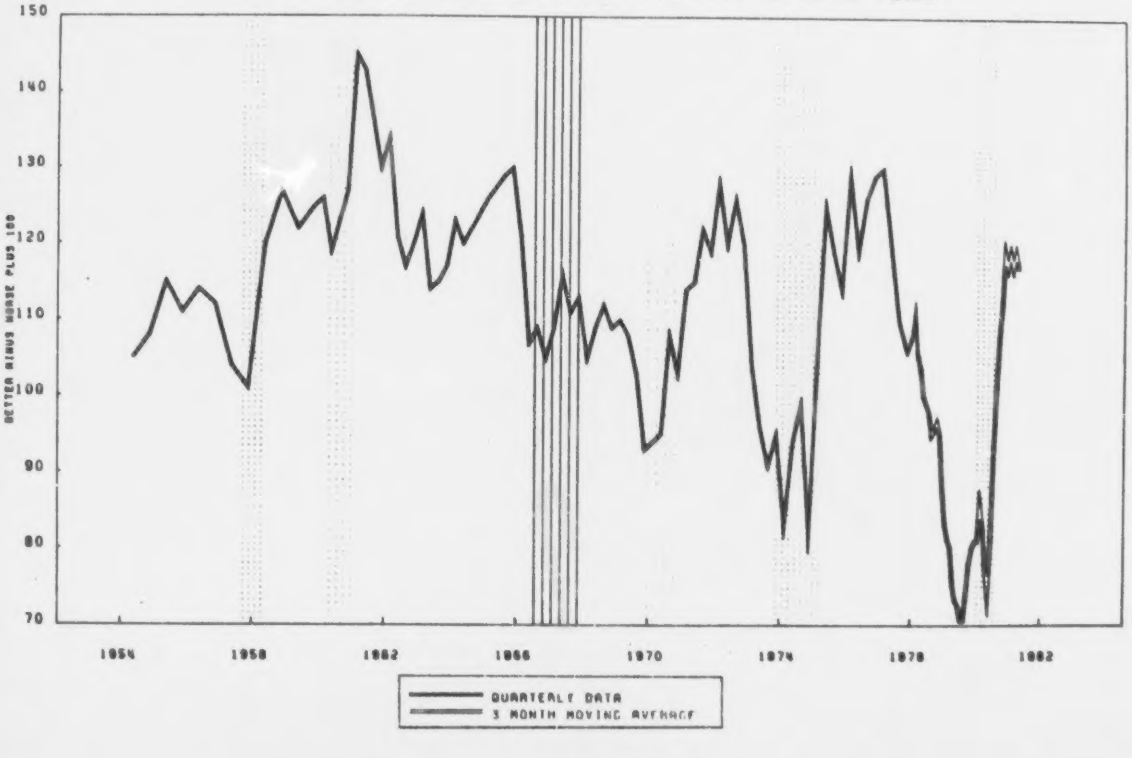


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
BETTER	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%	38%	36%
SAME	37	37	38	43	44	47	44	42	46	42	46	38	41
WORSE	46	39	32	25	23	17	18	14	20	16	16	21	21
DK,NA	3	3	4	4	5	4	5	4	5	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
FAVORABLE REASONS:													
Government; elections	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%	32%	31%
Employment	2	2	3	4	4	5	5	5	3	4	2	4	4
Higher consumer demand	1	3	1	2	3	4	5	3	2	2	3	2	2
Lower prices	3	2	3	1	1	3	3	2	3	2	2	3	2
Easier credit	1	4	5	2	3	3	2	3	2	4	2	2	2
UNFAVORABLE REASONS:													
Government; elections	15	7	7	12	7	7	11	7	8	7	7	9	8
Unemployment	11	14	12	10	7	6	4	5	8	7	6	6	6
Lower consumer demand	6	5	5	6	7	3	2	2	6	5	4	4	5
Higher prices	25	14	10	9	14	10	10	8	10	8	12	8	10
Tighter credit	12	6	4	2	2	2	2	2	7	4	2	2	2
Energy crisis	3	2	1	1	1	1	1	1	*	1	1	1	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

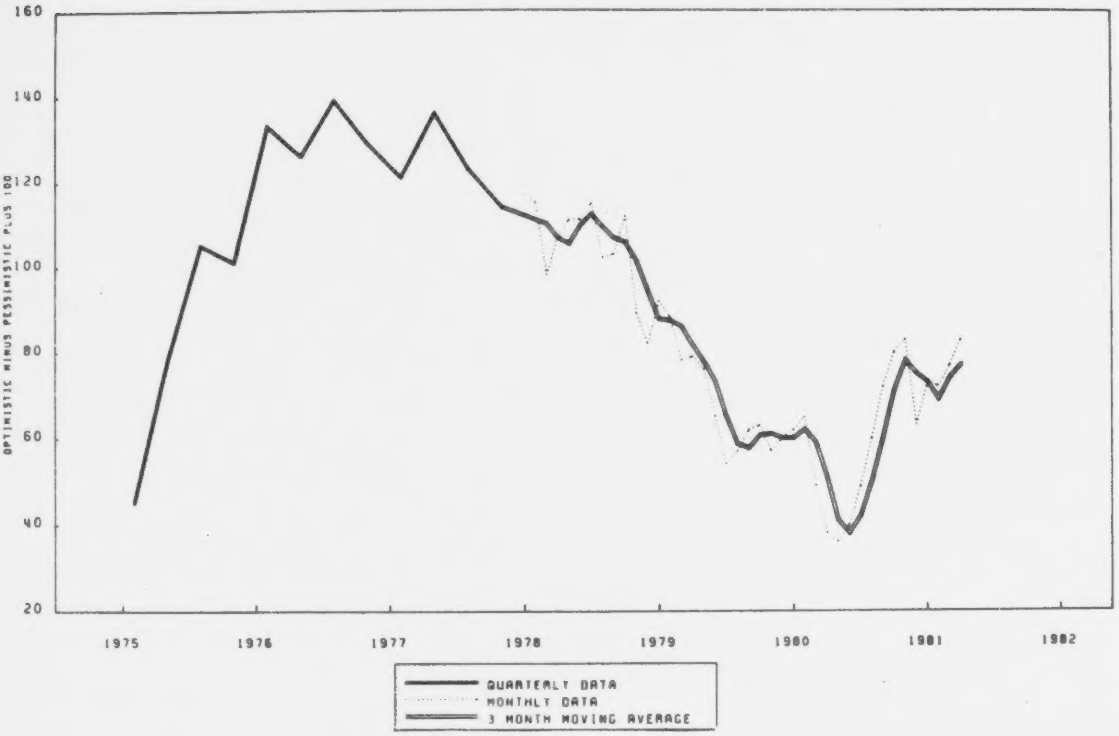


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

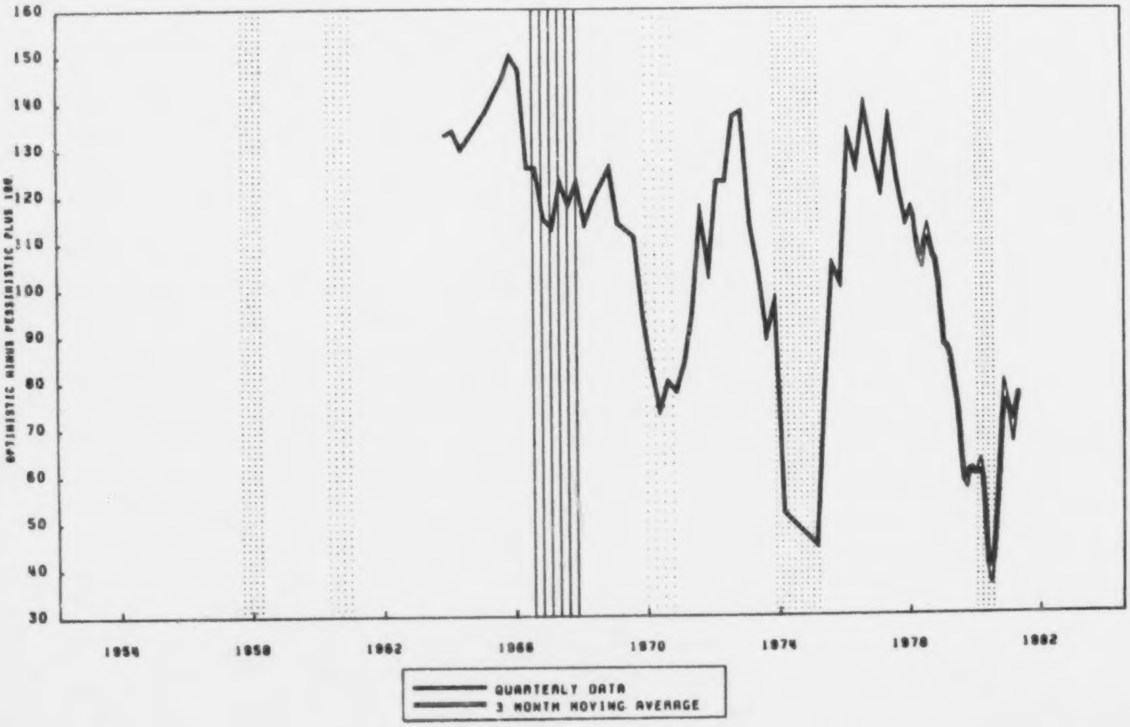


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
TREND:													
Continuous increase (a)	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%	9%	15%
Intermittant increase (b)	6	5	4	7	9	10	13	14	10	11	12	12	13
Remain unchanged (c)	3	1	2	1	3	6	5	4	5	7	7	6	8
Intermittant decline (d)	32	34	35	37	35	33	28	29	36	30	33	27	29
Continuous decline (e)	41	36	30	23	19	14	14	13	16	14	14	17	16
Mixed change (f)	10	20	23	26	23	23	23	24	21	27	21	25	16
DK,NA	4	3	5	4	6	5	8	5	7	5	6	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

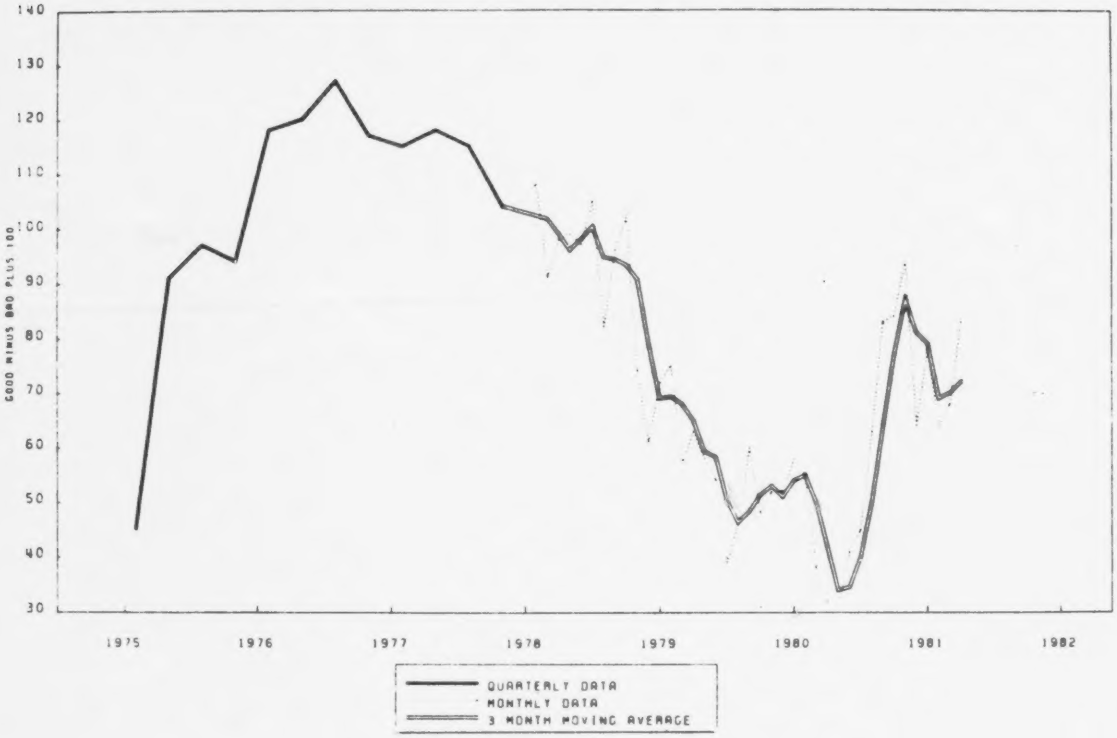


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

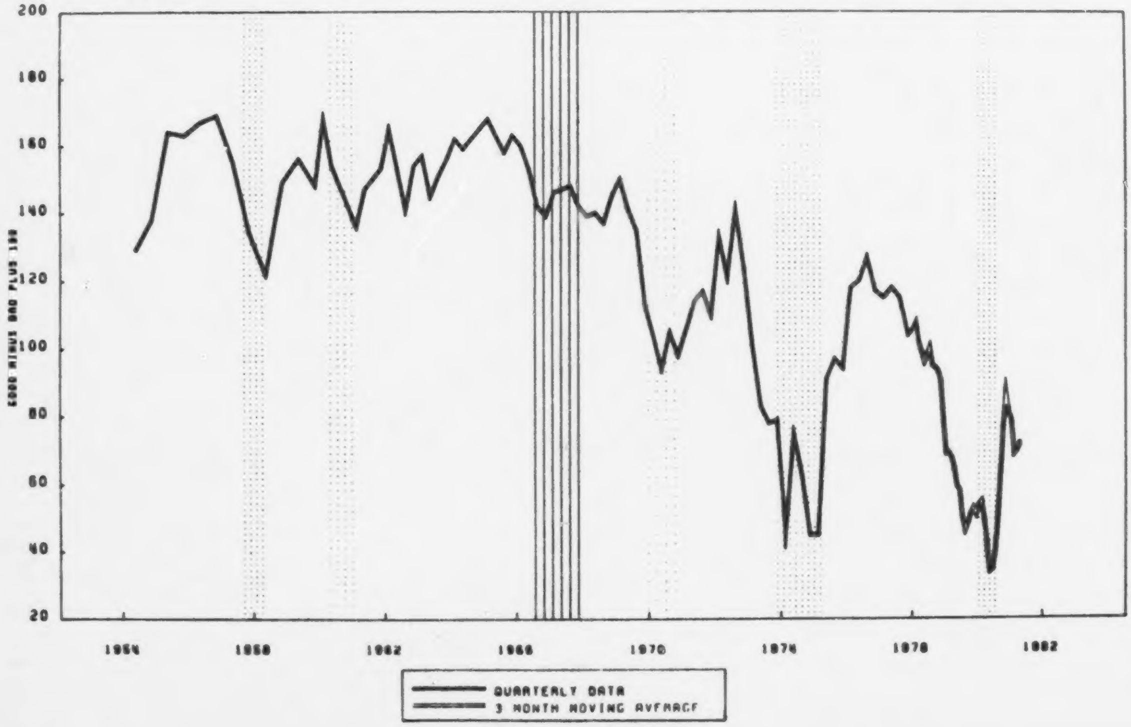


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIMES	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%	27%	36%
UNCERTAIN; GOOD & BAD	1	1	1	1	2	2	2	2	1	2	2	3	3
BAD TIMES	79	82	75	74	62	52	49	45	62	53	62	59	53
DON'T KNOW	4	3	4	4	7	7	8	8	7	10	6	6	6
NOT ASCERTAINED	5	1	2	2	4	4	8	6	4	4	4	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

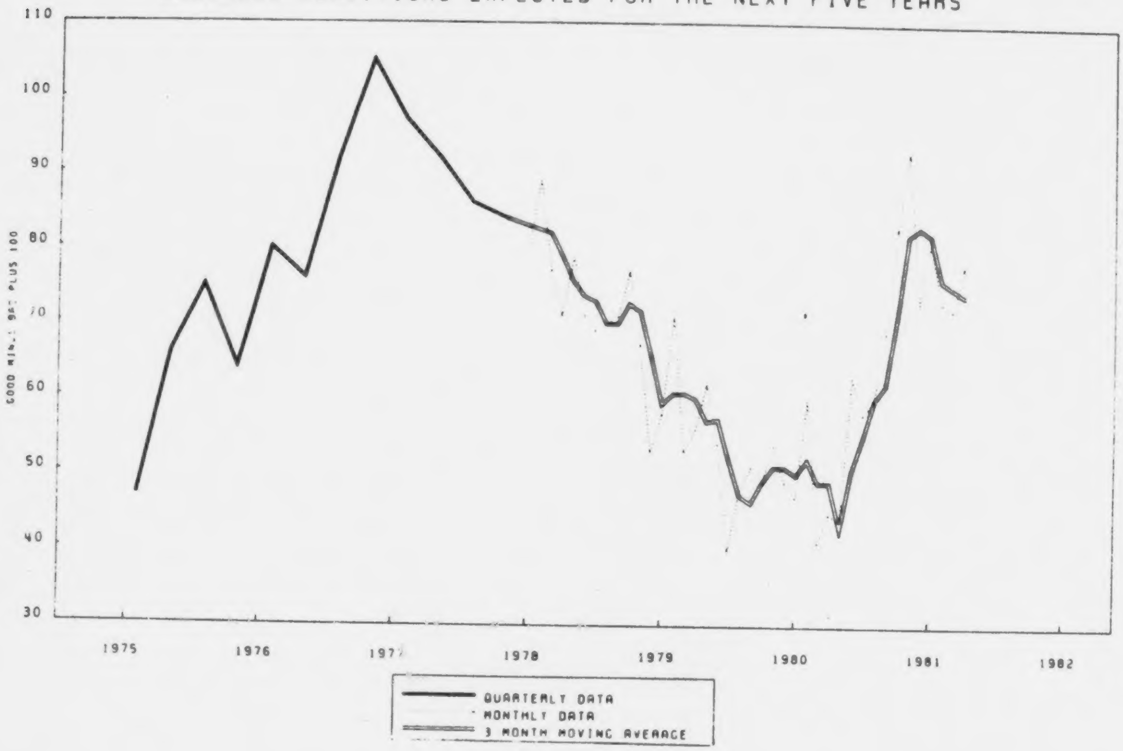


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

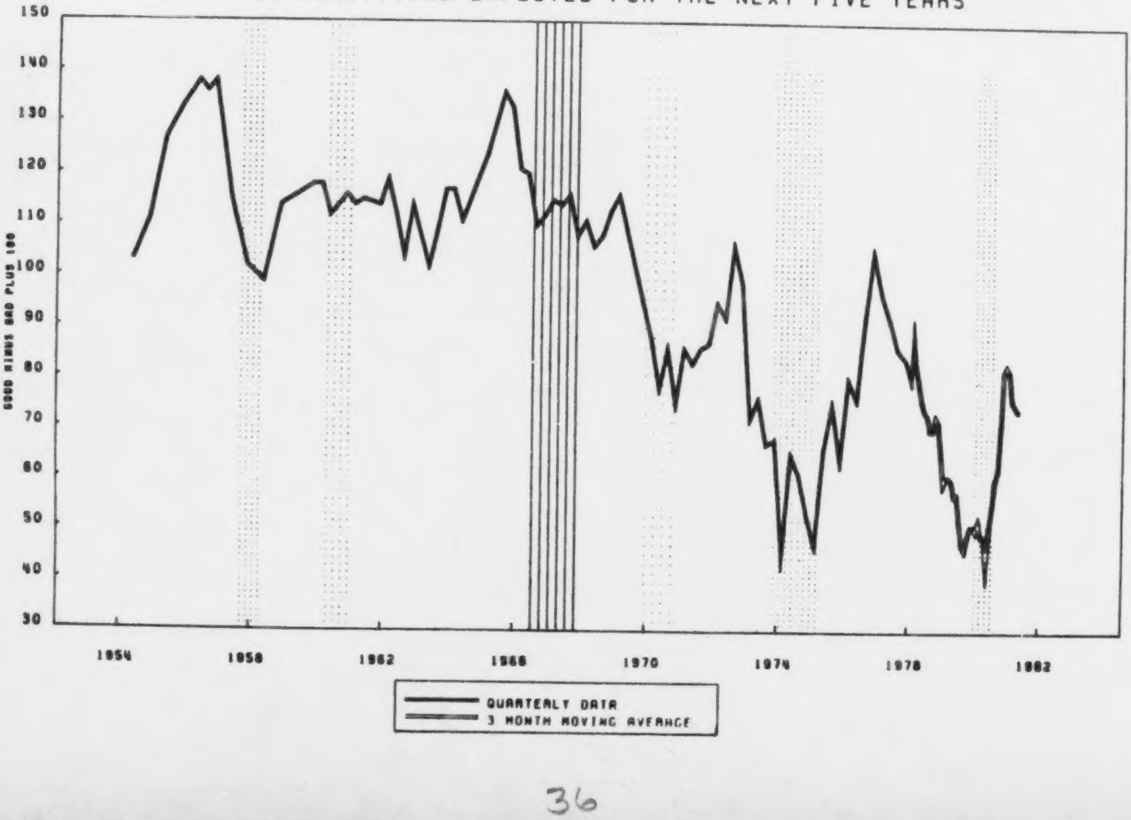


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIMES	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%	27%	30%
UNCERTAIN; GOOD & BAD	12	10	12	13	16	14	19	15	16	15	12	14	13
BAD TIMES	69	71	59	61	59	56	44	43	52	49	55	55	52
NOT ASCERTAINED	5	4	7	7	6	5	10	6	7	6	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

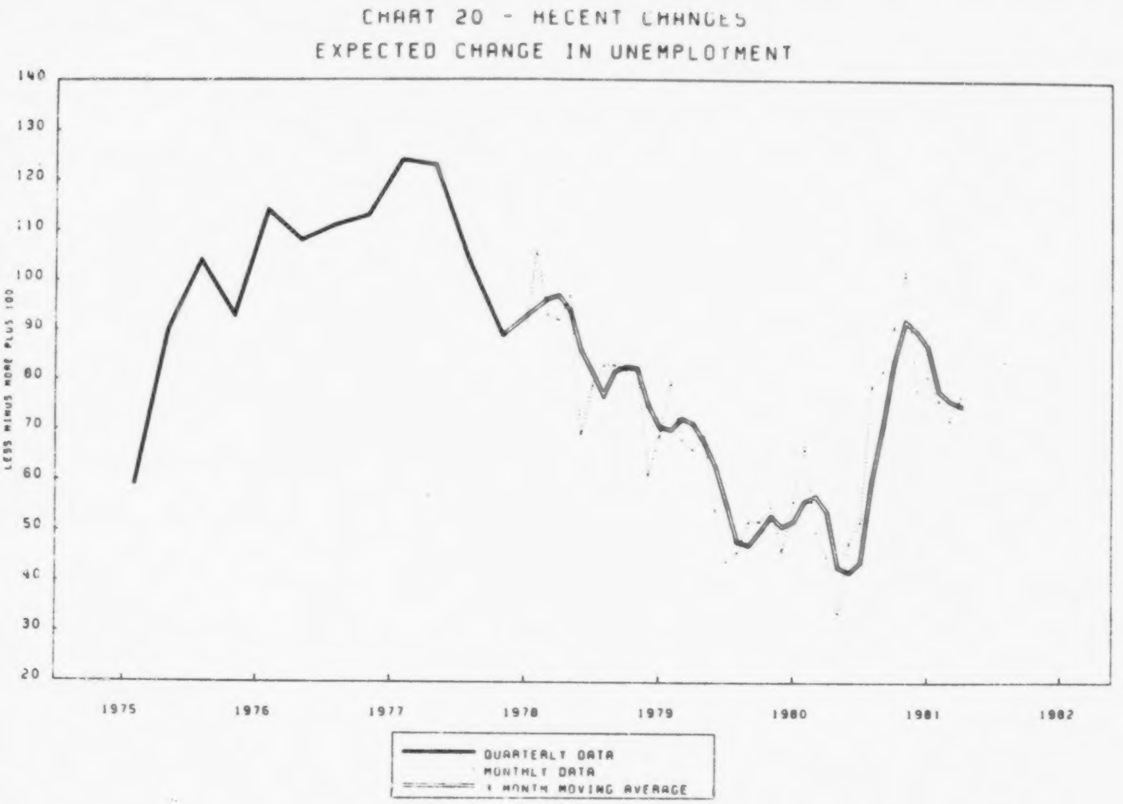


CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

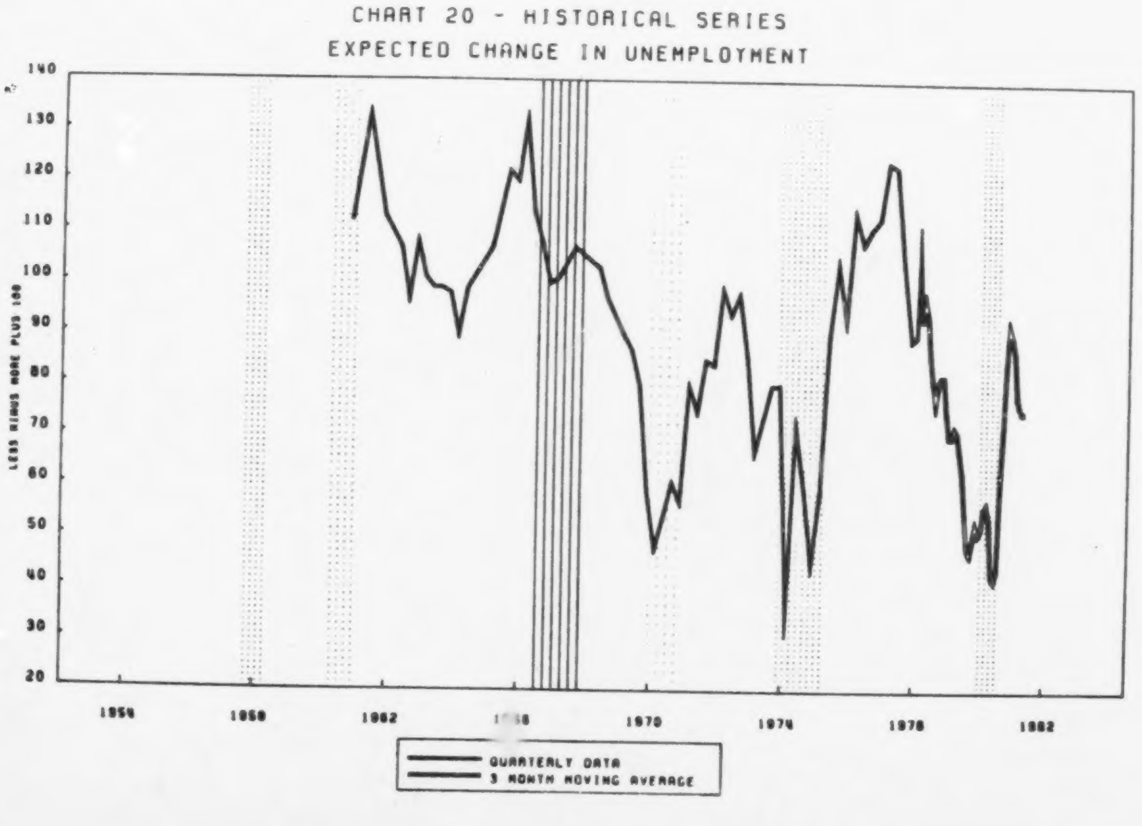


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
LESS	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%	13%	17%
SAME	29	23	25	30	38	36	46	47	41	41	42	43	41
MORE	62	72	63	59	40	40	30	24	39	38	40	41	40
DK,NA	2	*	1	*	3	2	3	3	3	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

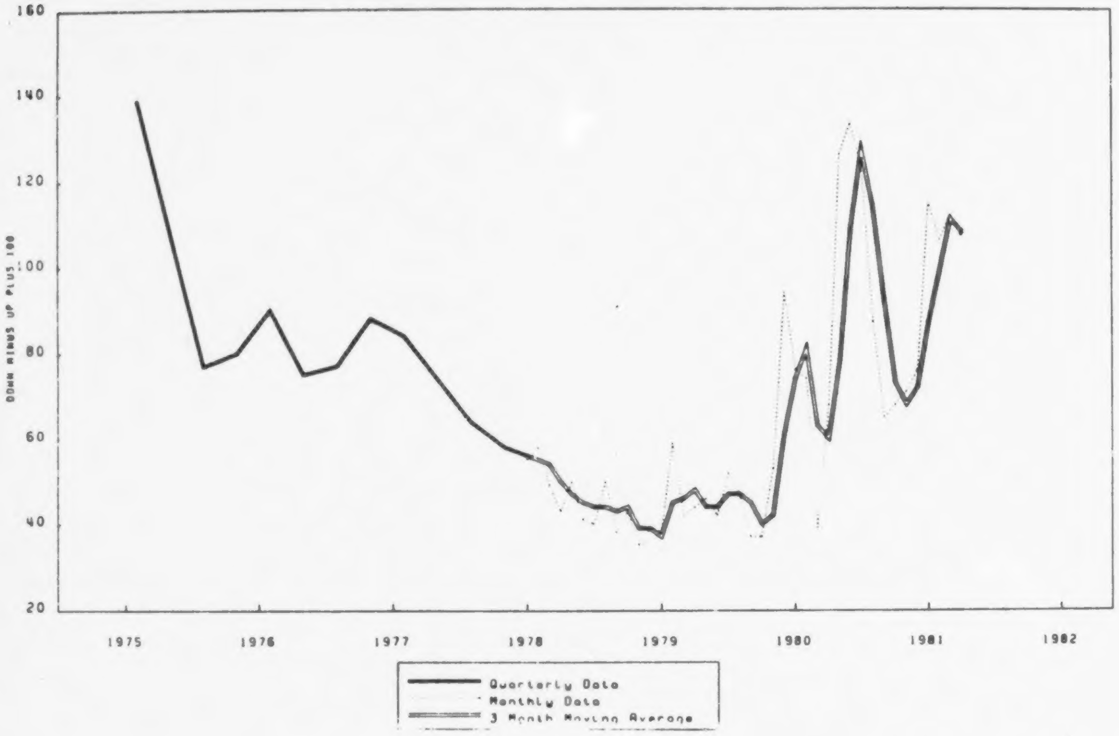


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

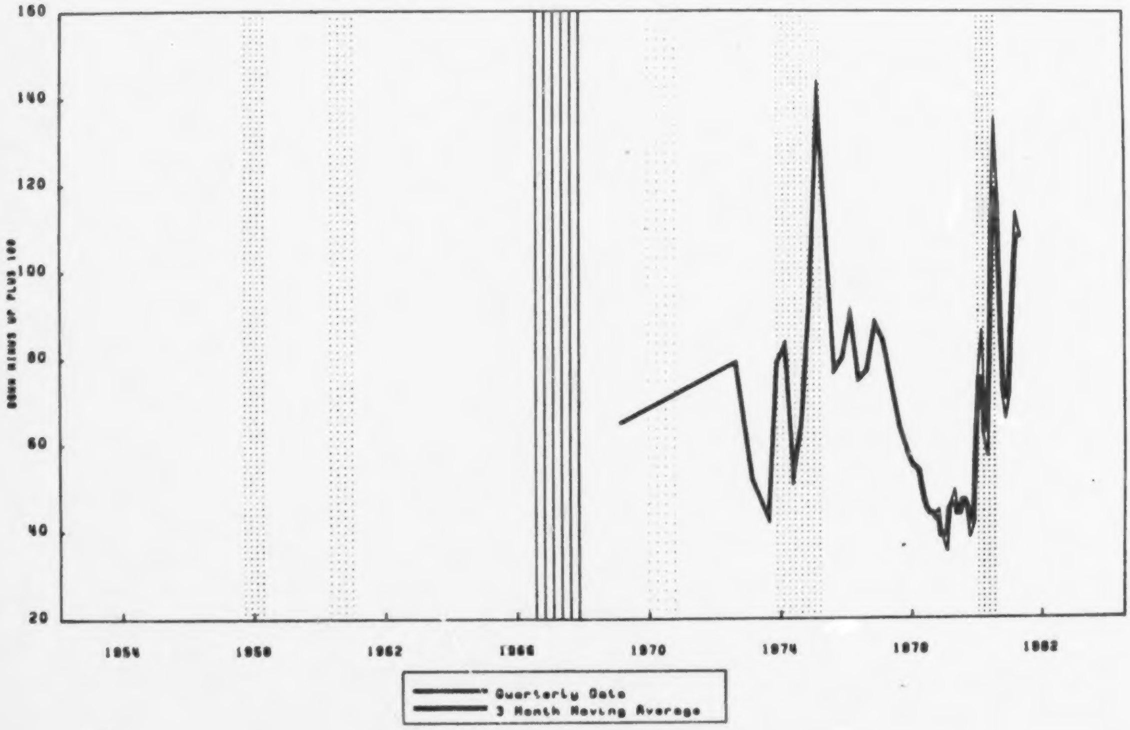


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GO UP	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%	29%	31%
STAY THE SAME	18	20	22	31	30	25	26	22	14	20	24	26	27
GO DOWN	24	52	54	44	26	18	17	22	29	44	37	41	38
DK,NA	2	2	3	4	5	4	8	5	4	7	8	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

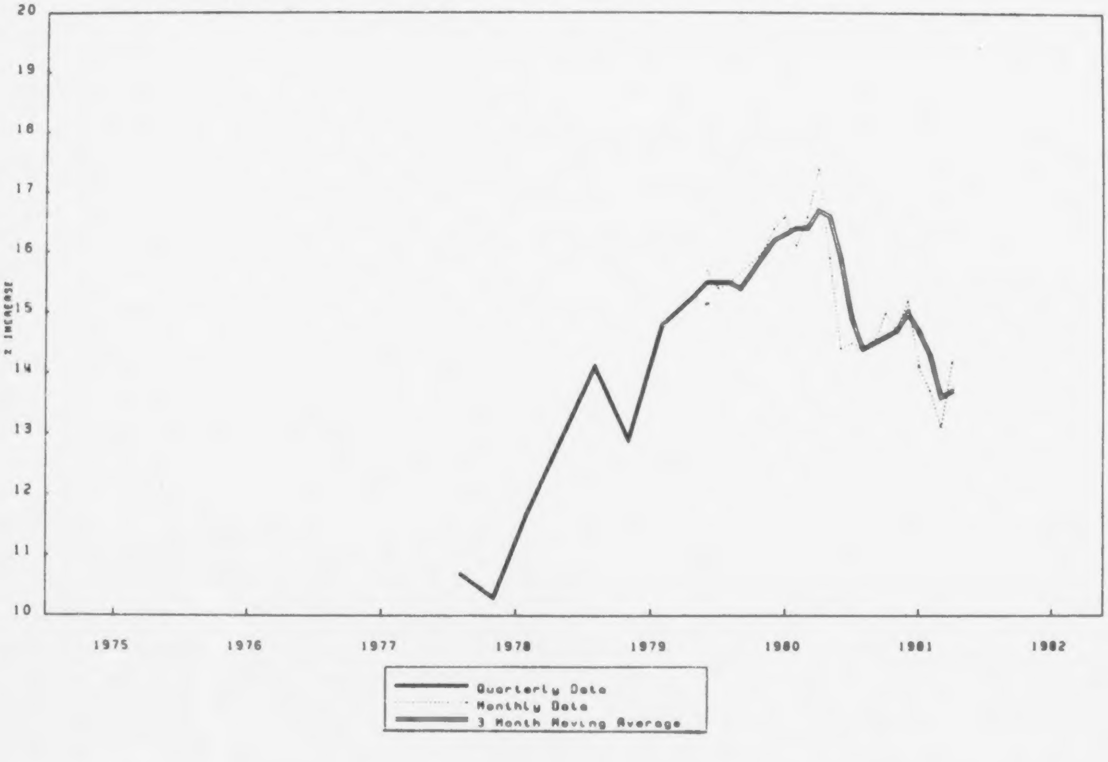


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
SAME OR DOWN	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%	4%	4%
GONE UP BY:													
1-2%	2	1	1	3	2	2	3	2	2	2	3	2	4
3-4%	3	4	3	5	6	5	4	4	3	4	4	4	5
5%	5	5	6	7	8	7	11	7	9	7	8	7	6
6-9%	9	6	10	11	12	9	11	12	9	8	8	10	12
10-14%	24	27	25	22	20	24	23	27	26	31	32	29	26
15% or more	43	37	33	29	32	31	32	29	32	28	25	25	30
DK how much up	12	15	15	18	15	17	14	16	16	17	17	18	13
DK,NA	*	*	1	1	1	1	*	*	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2
VARIANCE	179	175	140	168	160	151	169	161	158	130	128	111	156
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

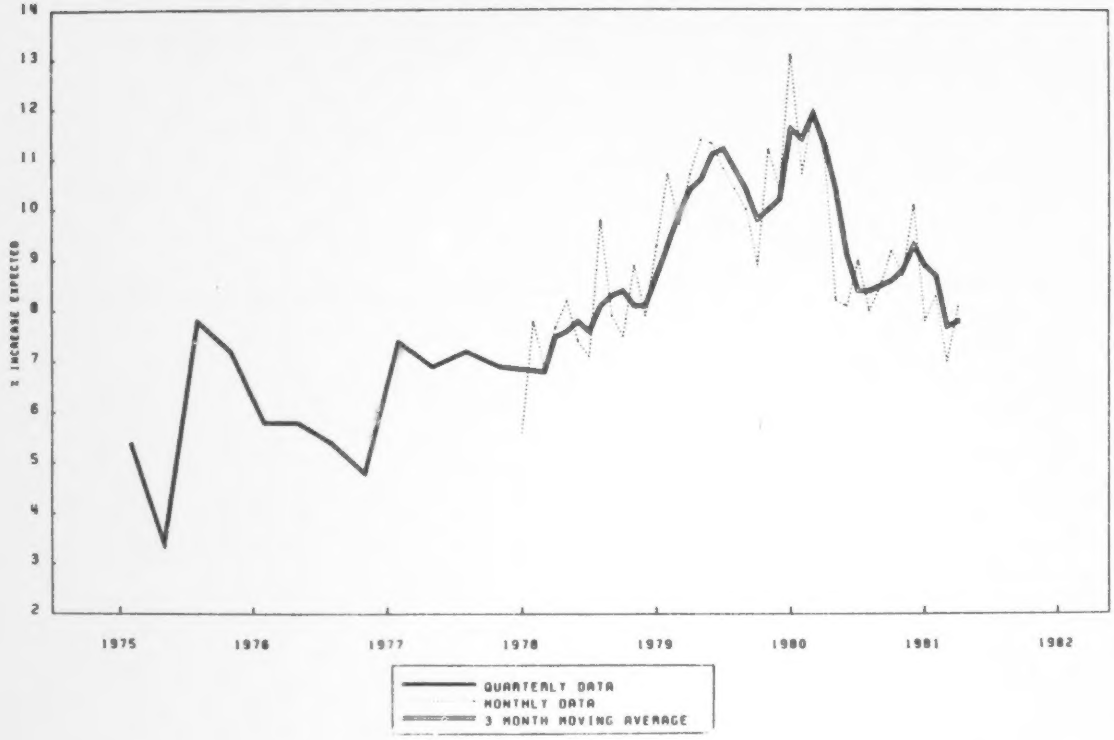


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

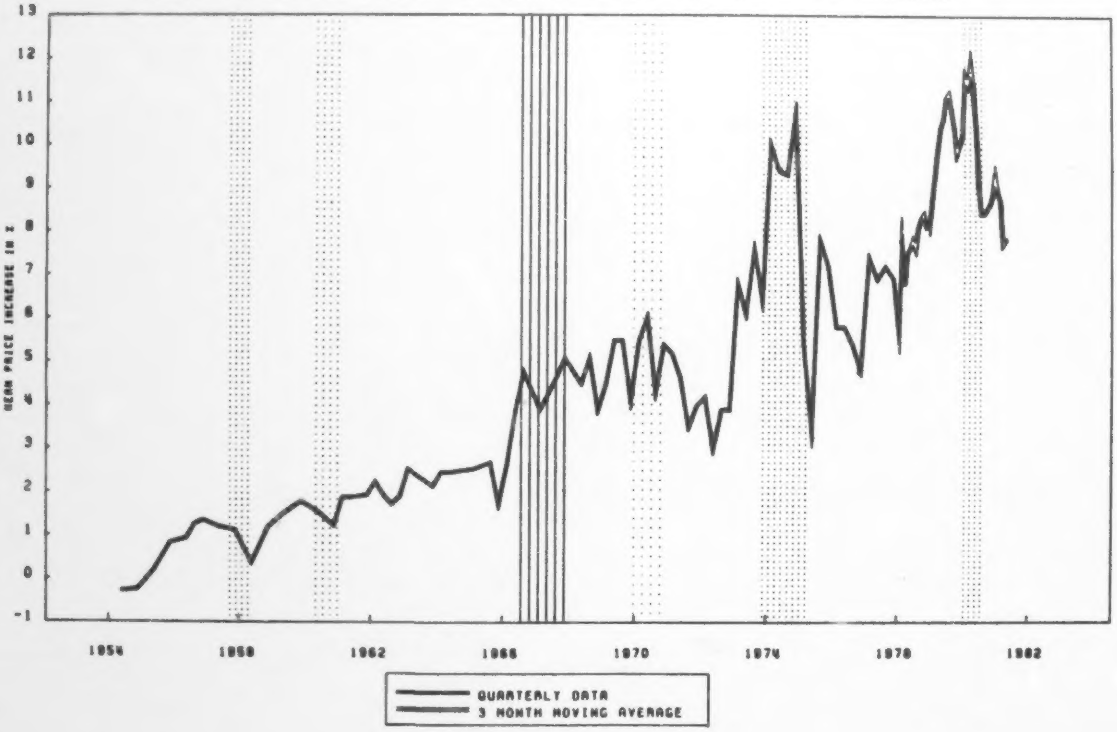


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
SAME OR DOWN	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%	26%	27%
WILL GO UP BY:													
1-2%	2	1	3	3	6	5	3	3	3	3	5	2	4
3-4%	3	4	6	5	7	5	6	5	5	6	9	8	7
5%	7	9	7	8	11	11	10	8	9	7	9	11	9
6-9%	8	9	10	10	12	10	10	12	11	12	12	11	9
10-14%	24	17	20	21	24	23	24	20	25	28	23	20	20
15% or more	25	18	14	15	10	13	16	14	18	9	12	9	14
DK how much up	9	10	10	13	11	13	9	11	10	11	10	11	8
DK,NA	2	1	3	3	1	3	2	2	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1
VARIANCE	125	92	89	95	71	68	100	102	107	54	74	57	97
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

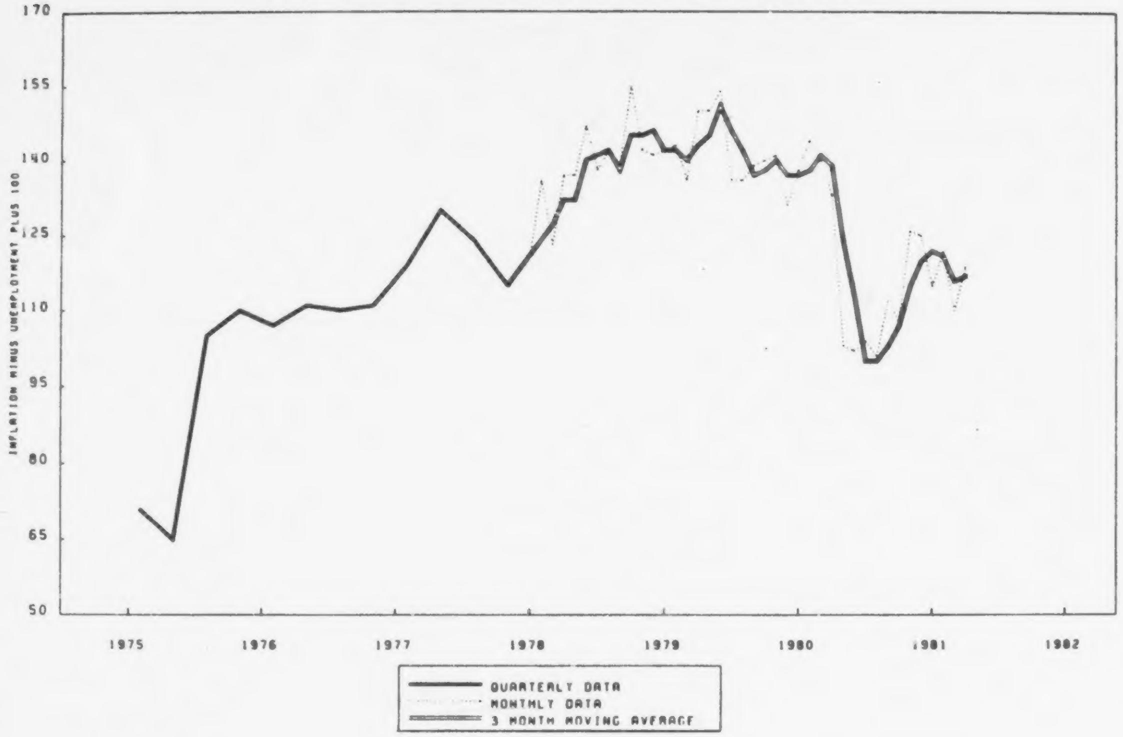


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

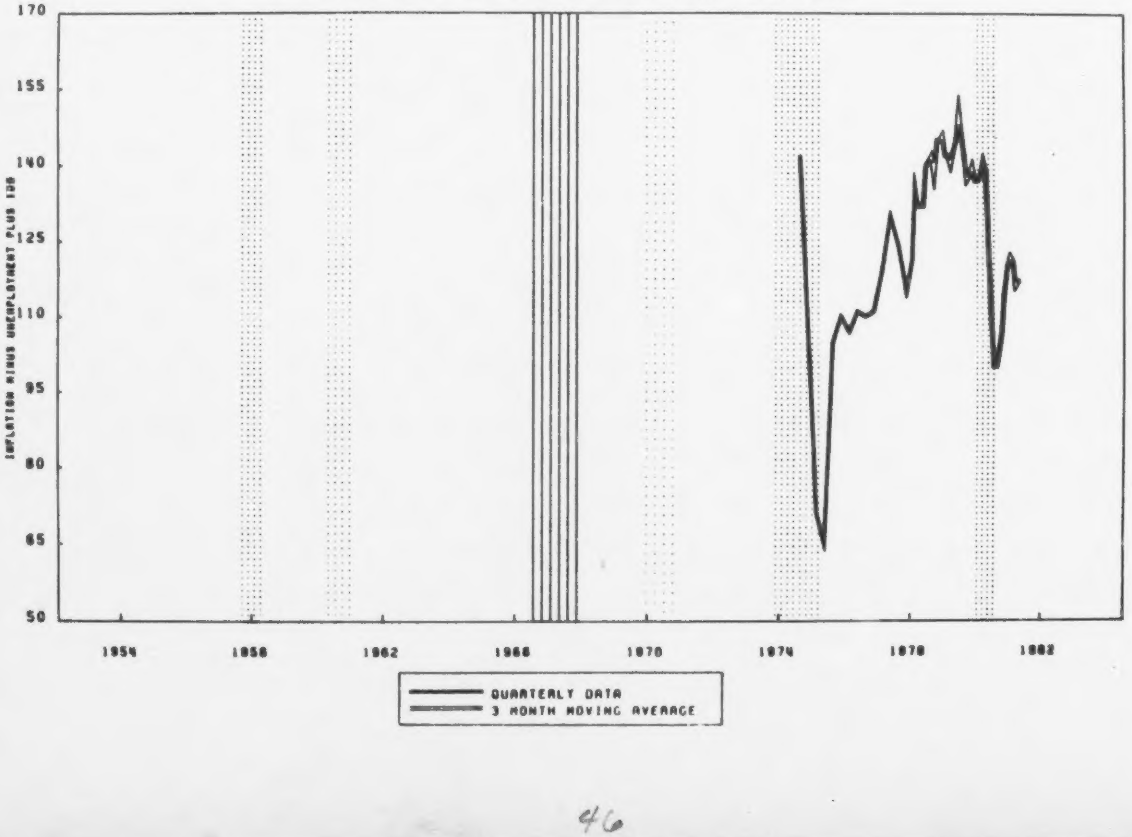


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
UNEMPLOYMENT	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%	39%	35%
BOTH EQUALLY SERIOUS	14	16	11	11	10	9	11	11	9	14	8	11	8
INFLATION	59	43	45	41	44	50	48	57	57	49	56	49	54
DK,NA	1	1	1	3	3	3	1	1	2	3	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

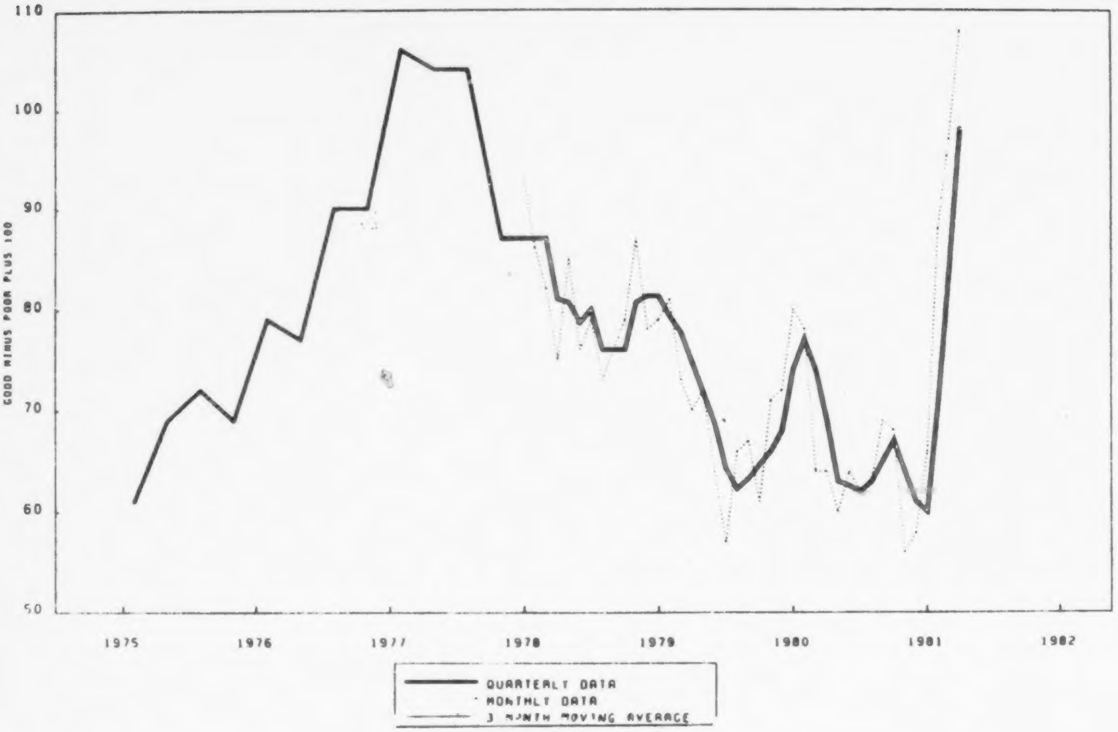


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

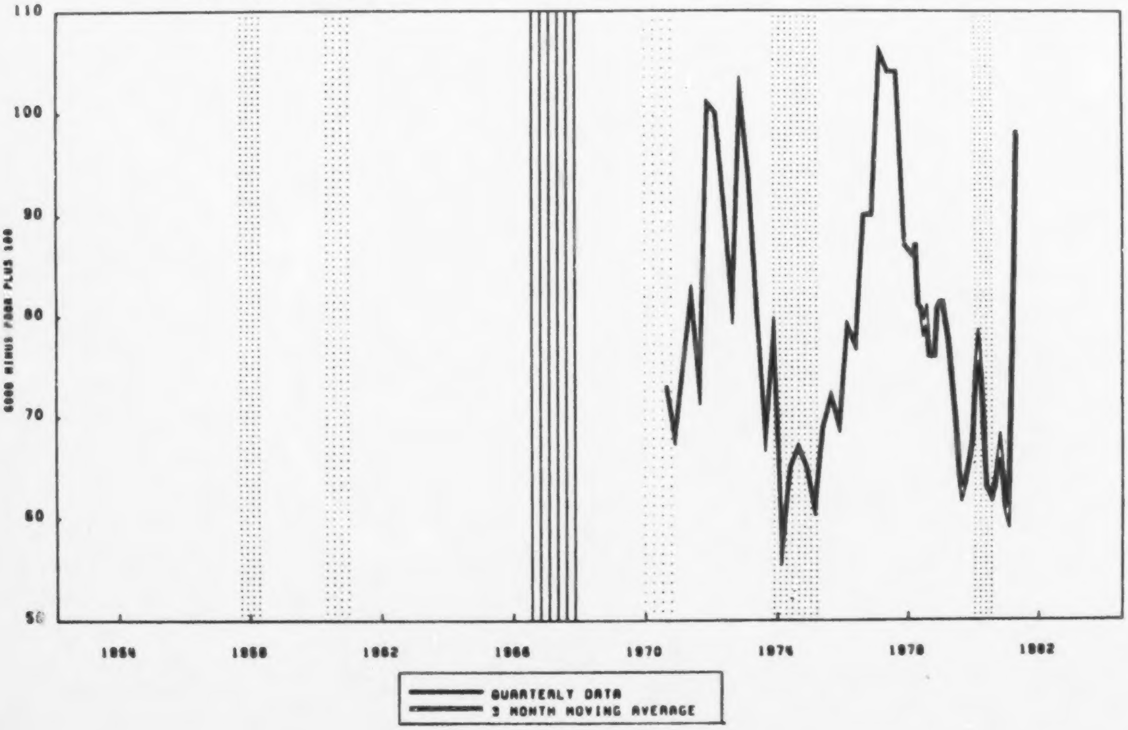


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
A GOOD JOB	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%	22%	28%
ONLY FAIR	48	48	40	41	45	46	50	41	42	42	40	45	47
A POOR JOB	42	45	46	47	45	41	40	50	49	44	31	25	20
DK,NA	4	2	4	3	2	3	2	3	2	4	10	8	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

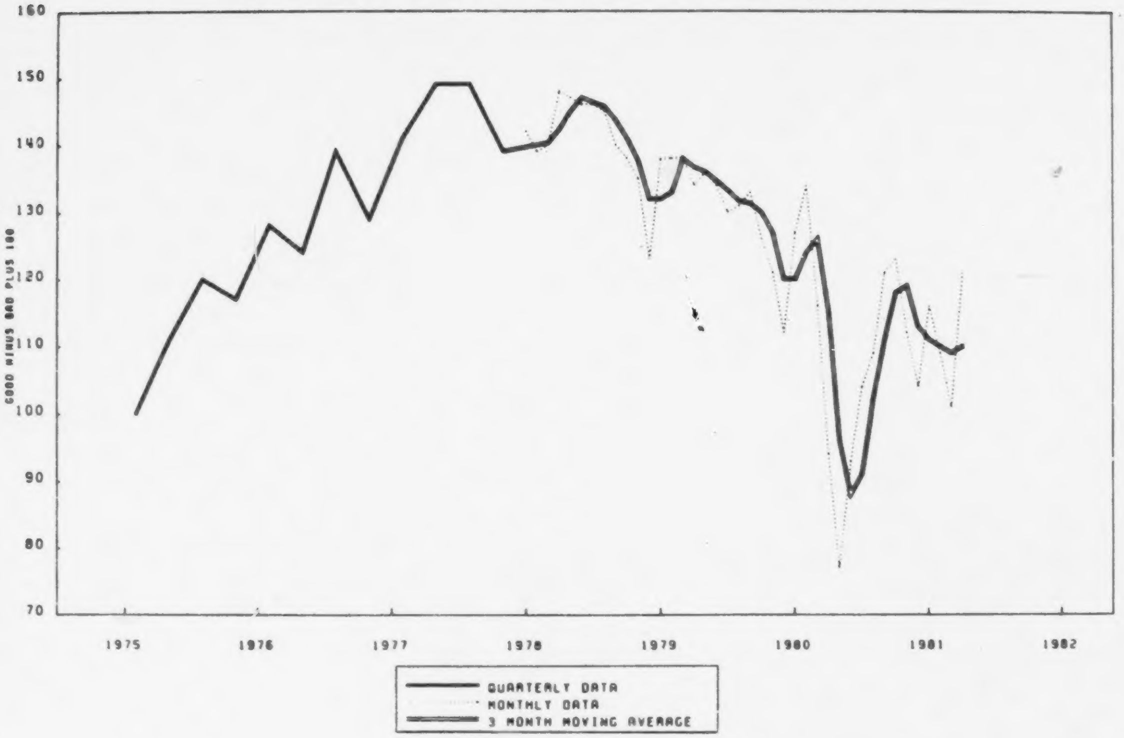


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

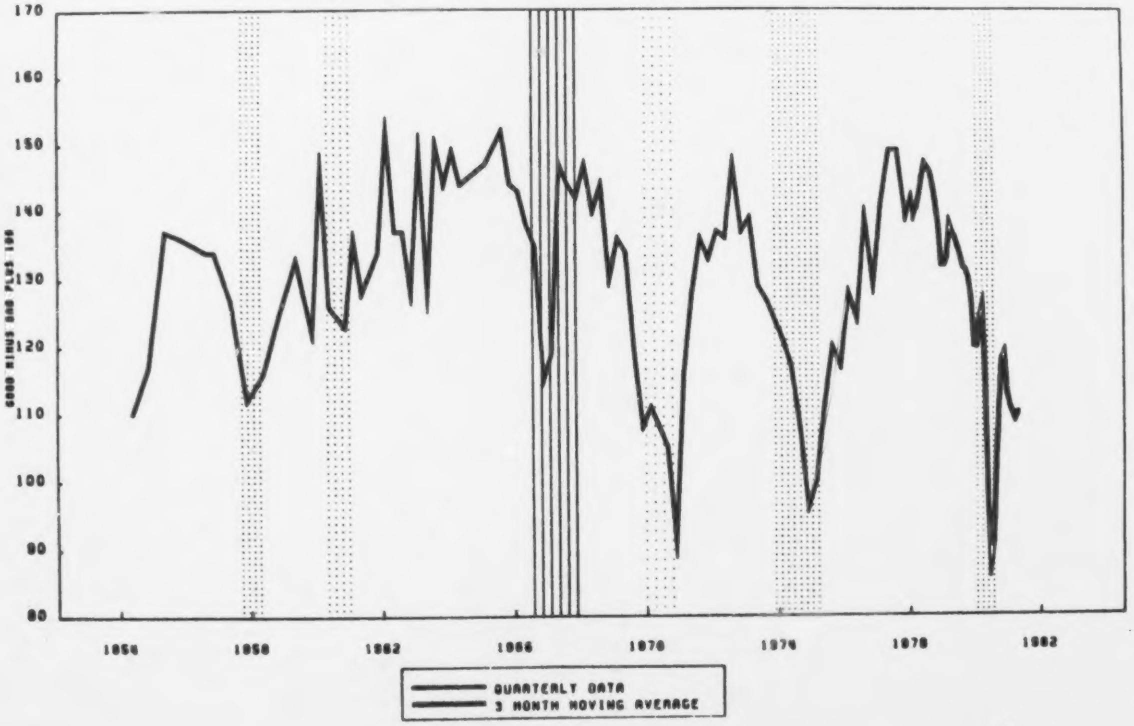


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%	43%	54%
UNCERTAIN, DEPENDS	12	7	11	16	15	17	13	12	14	16	15	15	13
BAD TIME TO BUY	47	58	48	40	38	31	32	38	41	34	38	42	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%	22%	21%
Prices won't come down; are going higher	28	23	26	22	27	31	30	31	24	28	24	23	31
Interest rates low; credit is easy	3	2	3	5	5	3	4	2	3	2	3	1	2
BAD TIME TO BUY:													
Prices are high	30	34	29	23	23	20	16	23	26	17	24	23	19
Interest rates are high; credit is tight	28	31	24	19	16	13	17	17	22	25	26	22	17
Lack of purchasing power	14	16	15	20	14	12	11	11	11	11	13	16	12

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

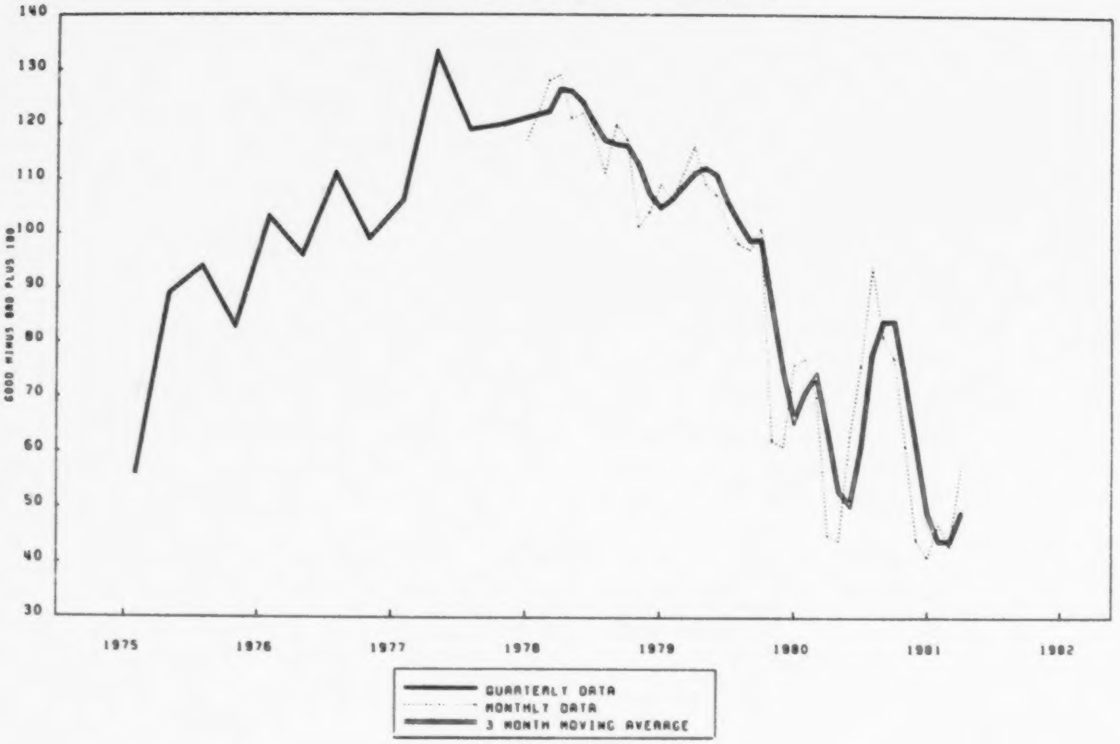


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

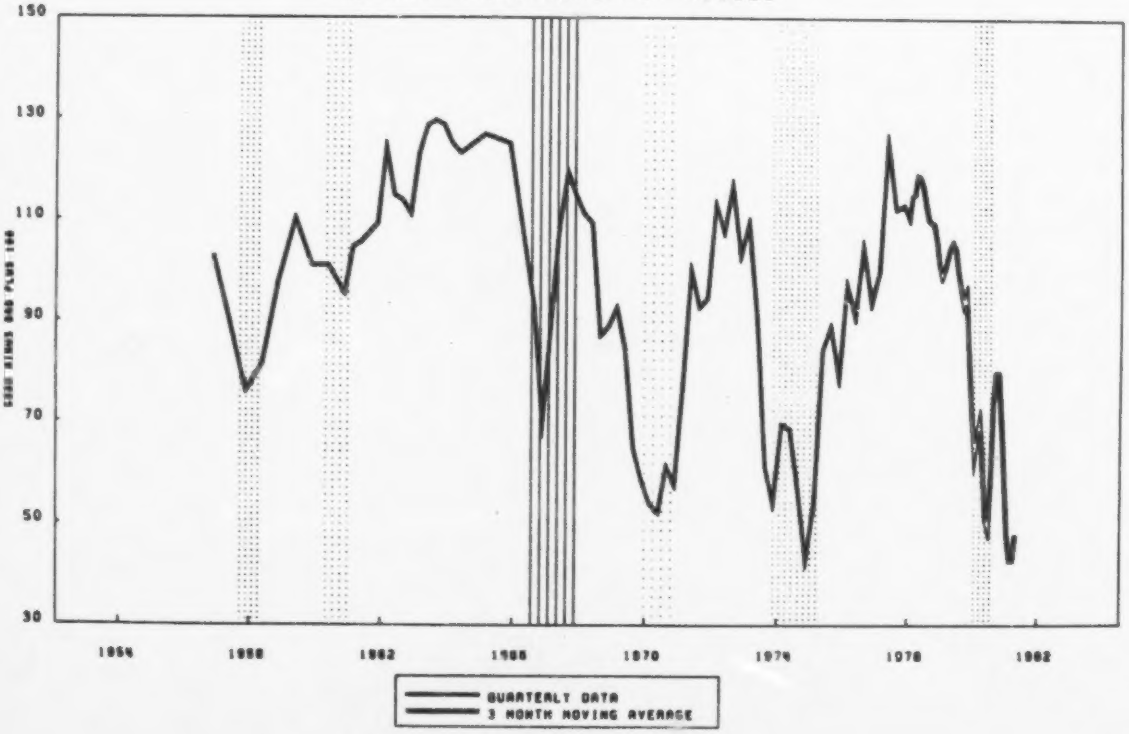


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%	20%	26%
UNCERTAIN, DEPENDS	7	8	5	8	6	5	5	5	6	5	5	3	5
BAD TIME TO BUY	74	74	66	58	50	57	59	67	75	77	74	77	69
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%	4%	5%
Prices won't come down; are going higher	8	8	11	12	14	17	17	16	10	12	10	9	12
Interest rates low; credit is easy	3	6	16	23	28	22	16	10	6	4	7	5	9
Good investment	9	7	5	6	10	9	8	7	6	7	10	7	8
BAD TIME TO BUY:													
Prices are high	31	30	27	30	26	29	27	28	28	32	31	32	30
Interest rates are high; credit is tight	76	75	66	53	41	50	56	66	77	76	73	76	66
Lack of purchasing power	8	9	10	15	12	11	12	11	12	10	14	13	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

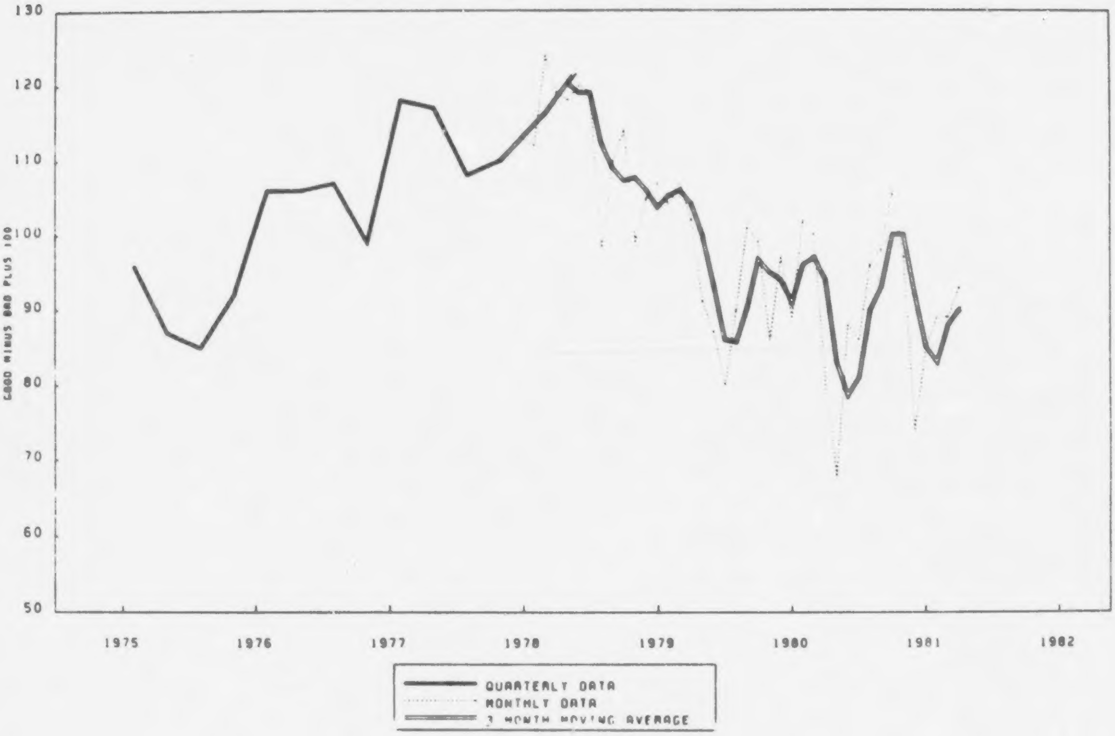


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

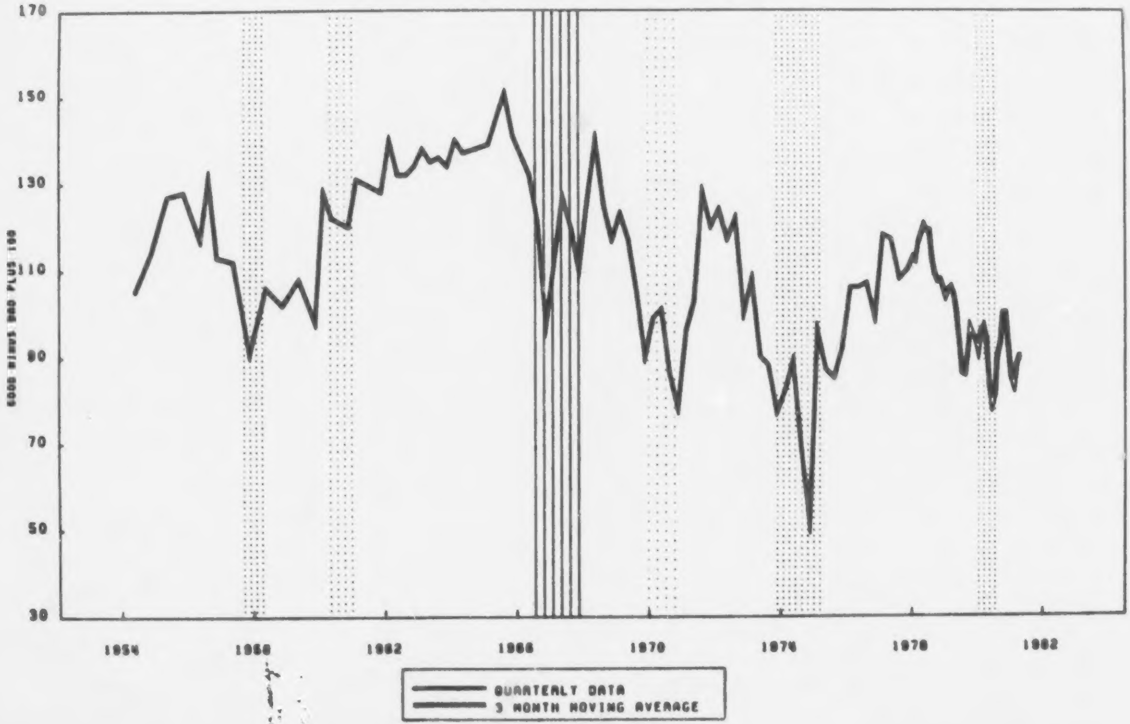


TABLE 30

BUYING CONDITIONS FOR CARS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%	39%	42%
UNCERTAIN; DEPENDS	10	10	14	14	12	14	16	15	8	13	11	11	9
BAD TIME TO BUY	55	61	49	50	46	44	39	44	59	51	50	50	49
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%	30%	25%
Prices won't come down; are going higher	10	8	9	13	12	19	17	16	12	13	12	10	19
Interest rates low; credit is easy	4	1	3	4	4	4	3	3	4	5	3	2	3
New fuel efficient models	12	6	5	3	7	9	12	7	5	4	4	6	4
BAD TIME TO BUY:													
Prices are high	32	30	24	27	27	31	23	28	31	33	31	34	31
Interest rates are high; credit is tight	24	29	22	11	11	10	14	17	29	28	27	21	22
Lack of purchasing power	6	7	6	9	9	6	8	7	9	7	7	10	8
Price of gas; shortages	16	15	9	6	5	5	4	4	5	4	8	6	5
Poor selection; quality	8	7	10	13	13	11	13	10	12	9	9	9	8

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
PROBABLY WILL BUY	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%	14%	15%
CHANCES ARE EVEN	7	7	8	5	7	6	7	6	6	8	7	6	8
PROBABLY WILL NOT BUY	69	67	68	67	61	70	67	66	67	66	62	67	65
DK,NA	8	13	12	11	16	8	11	11	13	11	15	13	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	719	703	688	668	658	682	685	694	684	698	668	703	690

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%	20%	23%
PURCHASE TYPE:													
Buy new	11	7	9	10	8	11	12	11	8	11	10	9	11
Buy used	9	9	7	11	12	9	7	9	9	8	10	9	10
Lease	2	1	1	1	1	1	2	*	1	1	1	1	1
DK,NA	1	3	3	*	2	1	1	3	2	3	2	1	1
PURCHASE TIMING:													
Next 3 months	4	2	1	5	3	1	3	4	2	3	1	1	5
Next 4-6 months	6	6	6	5	5	6	4	3	3	5	6	4	8
Next 7-9 months	6	5	5	3	4	2	7	6	5	6	7	5	5
10 months or more	2	3	5	4	4	4	4	4	5	4	3	5	2
DK,NA	5	4	3	5	7	9	4	6	5	5	6	5	3

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%	67%	65%
PURCHASE TYPE:													
Would buy new	40	39	38	40	35	38	44	38	37	35	33	34	39
Would buy used	26	25	27	24	24	30	20	26	27	29	28	28	24
DK,NA	3	3	3	3	2	2	3	2	3	2	1	5	2
PURCHASE TIMING:													
Less than 2 years	8	7	6	4	6	5	5	6	7	6	5	6	9
2 years	14	17	21	20	18	23	20	23	20	17	23	23	19
3 years	12	10	11	10	8	12	15	11	12	12	9	9	9
4 years or more	20	19	20	21	21	18	15	15	18	19	16	19	22
Indefinite	6	4	3	4	4	4	3	5	3	5	3	3	3
DK,NA	9	10	7	8	4	8	9	6	7	7	6	7	3

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

U7475-2 UA

5/6/81

April 29, 1981

APRIL 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

FAVORABLE SENTIMENT GROWS CAUTIOUSLY

** In the April 1981 Survey, the Index of Consumer Sentiment was 72.4, up 5.9 Index points from March, and nearly 20 Index points above the 52.7 recorded in April 1980. The April gain was due to improved business expectations, as well as more favorable attitudes toward buying conditions for large household durables.

** Among families with incomes of $25,000 or more, the Index figure was 78.0 in April, up from 73.7 in March, and 57.2 in April 1980. The April improvement was somewhat greater among residents of the North Central region, and among those over age 55; both these subgroups, however, improved by the least amount over year earlier readings.

** Good times were expected in the economy as a whole by 36 percent of all respondents in April 1981, up from 27 percent in March, and just 11 percent in April 1980. Bad times financially, however, continued to dominate responses, with 53 percent who expected bad economic times in April 1981, down from 59 percent in March, and 79 percent in April 1980.

** Favorable attitudes toward buying conditions for large household goods increased to 54 percent, up from 43 percent in March and 41 percent in April 1980. More modest improvements in buying attitudes toward the automobile and housing markets were recorded in April 1981.

** Confidence in government economic policy in April 1981 equaled the prior peak level recorded in early 1977. The current proposals to reduce federal taxes and spending were expected to improve consumers' personal financial situation (42 percent), as well as the economy in general (58 percent). In addition, 46 percent expected the adoption of these proposals to help lower the rate of inflation. Among families who expected tax reduction, the median increase in take-home pay was $40. Nearly as many families planned to save (42 percent) as to spend (46 percent) the additional income. These same results were obtained in 1963, except at that time a greater share of the planned spending was for new purchases, whereas in 1981 most of the planned spending was aimed at restoring balance to inflation-ravaged budgets.

* * *

The April 1981 survey indicates that despite unfavorable evaluation of current economic conditions, the proportion who expected future improvement has grown substantially, mainly due to the expected impact of Reagan's economic proposals. Although these proposals if adopted would reinforce and further spread these favorable expectations, greater improvement in the current financial situation of consumers is needed before a vigorous recovery in consumer sales can take place.

Personal Finances

In contrast to the general improvement in expectations since the early 1980 lows, consumers' evaluations of their own current financial situation have remained near record unfavorable levels. In April 1981, 25 percent of all families reported that they were better off financially than a year earlier, down from 29 percent one month earlier, and nearly identical to the 24 percent recorded in April 1980. A worsening financial situation was reported by 46 percent of all families in April 1981, down somewhat from the 51 percent recorded one year earlier. When asked to explain how their financial situation had changed, fewer families mentioned the adverse impact of inflation on family budgets in April 1981 (38 percent) than in April 1980 (45 percent). However, relatively few families reported that their family income had increased in both April 1981 (22 percent) as well as in April 1980 (23 percent). At 22 percent, the April 1981 survey recorded the fewest spontaneous mentions of family income increases in more than a decade.

Despite these unfavorable evaluations of their current financial situation, the balance of opinion has shifted during the past year toward favorable expectations for change. The proportion that expected a worsening financial situation in the year ahead fell to 19 percent in April 1981, down from 31 percent in April 1980, while the proportion who expected an improvement rose to 30 percent in April 1981, from 25 percent in April 1980. When information is combined about both past and expected trends, the proportion who reported a continuously worsening trend in personal finances declined from 21 percent in April 1980 to 11 percent in April 1981.

Although past income increases were reported by relatively few families, expected increases in nominal family income have remained at relatively favorable levels. Among all families, an expected income increase of 10% or more was reported by 29 percent in April 1981, just below the 30 percent recorded in April 1980. The proportion who expected their family income to remain unchanged or to decline during the year ahead was 35 percent in April 1981, nearly equal to the 34 percent recorded in April 1980.

Business Conditions

Consumers more frequently reported that they had not heard of any recent changes in business conditions in the April 1981 survey (47 percent) than one year earlier (35 percent). And among those who had heard of recent business developments, fewer reported unfavorable changes in April 1981 (49 percent) than in April 1980 (91 percent). In large part, the decline in unfavorable reports can be attributed to fewer mentions of high interest rates (4 percent in April 1981, down from 24 percent a year earlier), and fewer reports of increasing prices (6 percent in April 1981, down from 17 percent a year earlier). Although the majority still view current business conditions as unfavorable, the proportion who thought that business conditions had worsened during the past year fell to 57 percent in April 1981, down from 67 percent in March, and 79 percent in April 1980.

Favorable expectations for improved business conditions have remained relatively unchanged in early 1981, at levels considerably above year earlier readings. Among all families, business conditions were expected to improve by 36 percent in April 1981, more than twice the 14 percent recorded in April 1980; similarly, the proportion who expected worsening business conditions was 21 percent in April 1981, less than half the 46 percent recorded in April 1980. When asked to explain why they expected business conditions to change, each monthly survey since the November 1980 election has recorded nearly one-third who spontaneously mentioned the role of government economic policies and the Reagan administration. In addition, fewer respondents mentioned the unfavorable impact of continued inflation on business conditions in April 1981 (10 percent) than in April 1980 (25 percent), and fewer mentioned the depressing effect of high interest rates on business conditions in April 1981 (2 percent) than in April 1980 (12 percent).

During the first four months of 1981, unemployment, interest rate, and inflation expectations have remained largely unchanged, at levels considerably below year earlier readings. Among all families, the proportion who expected unemployment to increase during the year ahead fell to 40 percent in April 1981, from 62 percent in April 1980. The decline of 22 percentage points was nearly evenly split into those who expected unemployment to decline (17 percent in April 1981, up from 7 percent in April 1980), and those who expected unemployment to remain at the currently high levels (41 percent in April 1981, up from 29 percent in April 1980).

The proportion of families that expected higher interest rates declined to 31 percent by April 1981, from 56 percent in April 1980. Interest rate declines were expected during the year ahead by 38 percent in April 1981, up from 24 percent in April 1980. As in the case of unemployment expectations, the proportion that no longer expected an increase in interest rates is now split between those expecting a decrease (38% in the current month compared with 24% a year ago) and those that expected no change (27% in April 1981, 18% a year ago).

Prices were expected to increase at an annual rate of 8.1% in the April 1981 survey, down sharply from the 11.1% recorded in April 1980. Among all families, the proportion who expected price increases of 15% or more fell from 25 percent in April 1980, to 14 percent in April 1981. On balance, price expectations have remained in the 7-8% range in early 1981, somewhat below the 8-9% range recorded during much of 1980. The significant decline in price expectations was recorded nearly one year ago, when the rate of expected inflation fell from 11.1% in April 1980 to 8.2% in May 1980.

Expected Impact of Government Economic Policies

Since President Reagan took office, the proportion who rated government economic policy favorably increased from 10 percent in January to 28 percent in April 1981, while the proportion who rated government policy as poor fell from 44 percent in January to 20 percent in April 1981. On balance, by April 1981 confidence in government economic policy equaled the prior peak level recorded in early 1977. The ratings were dissimilar in that respondents more frequently rated Reagan's economic policies as favorable (28 percent) than Carter's (22 percent), and respondents more frequently rated Reagan's policies as poor (20 percent) than Carter's policies (15 percent).

When asked whether they expected a reduction in personal income taxes, 49 percent of all respondents in the April 1981 survey expected Congress to pass such a law, down from 58 percent recorded in both the February and March 1981 surveys. During the past three months, the proportion who did not believe that Congress would pass such a law grew from 29 percent in February to 40 percent in April 1981 (Table A).

Respondents were asked about what impact they expected from the proposed reductions in federal spending and taxes on both their own financial situation as well as on business conditions in general. Among all families, 42 percent expected their personal financial situation to improve, and 58 percent expected business conditions to improve if the current economic proposals were adopted. Very few respondents expected an unfavorable change in either their personal financial situation (4 percent) or in business conditions (6 percent) if these proposals were adopted. Rather, respondents more frequently thought passage of these

TABLE A

EXPECTED PASSAGE OF TAX REDUCTIONS

Expect Tax Reduction?	Oct. 1980	Nov. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981
Yes	25%	46%	41%	58%	58%	49%
No	64	42	43	29	32	40
Uncertain; don't know	10	11	15	11	8	8
Not ascertained	1	1	1	2	2	3
Total	100%	100%	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

proposals would not make much difference to their personal financial situation (50 percent) or business conditions (30 percent). It is interesting to note that respondents who expected Congress to actually pass tax reductions viewed the impact of these proposals more favorably on both their personal finances and general business conditions (Table B).

Respondents were also asked about the influence these proposals might have on the rate of inflation. Among all families, 46 percent reported that they expected these proposals to lower the rate of inflation (Table C). The passage of these proposals were more frequently expected to leave the rate of inflation unaffected (34 percent), rather than increase the rate of inflation (12 percent). Among those who expected these proposals to lower the rate of inflation, approximately half also thought that unemployment would also be lower, while the other half expected the lower inflation rates to be accompanied by the same or even higher levels of unemployment. Interestingly, families who actually expected passage of tax reductions more frequently expected lower inflation rates (56 percent) than those who did not expect passage (38 percent), with nearly the entire increase occurring among those who expected both inflation and unemployment to be lower.

TABLE B

EXPECTED IMPACT OF TAX AND SPENDING REDUCTIONS
(April 1981)

Change Expected IF Proposals Adopted	Personal Finances: All Families	Personal Finances: Expect Tax Cut? Yes	Personal Finances: Expect Tax Cut? No	Business Conditions: All Families	Business Conditions: Expect Tax Cut? Yes	Business Conditions: Expect Tax Cut? No
Better off	42%	50%	37%	58%	66%	54%
Not much difference	50	43	56	30	26	35
Worse off	4	4	5	6	5	8
Don't know	2	1	2	3	2	2
Not ascertained	2	2	*	3	1	1
Total	100%	100%	100%	100%	100%	100%
Cases	690	343	275	690	343	275

The questions were: "If the current proposals to reduce both taxes and government spending were adopted, do you think you (and your family living there) would be better off financially, worse off financially, or wouldn't it make much difference? AND "If these proposals (to reduce both taxes and government spending) are adopted, do you expect that business conditions in the country as a whole would be better or worse than they are at present, or wouldn't it make much difference?"

In order to gauge the expected reduction in personal income taxes, respondents were asked to estimate the expected increase in their take-home pay, and their planned use of this money. Among all families, 44 percent expected their monthly take-home pay to increase, while 41 percent expected no change (Table D). Among those who expected an increase, the median expected increase in monthly take-home pay was $40. When asked about their planned use of this money, 46 percent had spending plans, while 42 percent said they intended to save or invest the money. Most of the planned expenditures were to repair inflation-ravaged budgets, rather than to make new purchases. Interestingly, those who expected enactment of the tax cuts were more likely to report saving or investment plans.

TABLE C

EXPECTED IMPACT ON INFLATION FROM TAX AND SPENDING REDUCTIONS

Change Expected IF Proposals Adopted	April 1981		
	All Families	Expect Tax Cut? Yes	No
Inflation rate lower	46%	56%	38%
Both inflation & unemployment lower	24	33	16
Only inflation rate lower	22	23	22
Not much difference	34	32	39
Inflation rate higher	12	9	17
Don't know	6	3	6
Not ascertained	2	*	*
Total	100%	100%	100%
Cases	690	343	275

The questions were: "If these proposals (to reduce both taxes and government spending) were adopted, would you expect that the rate of inflation would be lower or higher than it is at present, or wouldn't it make much difference?" IF LOWER: "Do you think that both inflation and unemployment would be lower if these proposals were adopted, or would these proposals only help reduce inflation?"

TABLE D

EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

	April 1981		
		Expect Tax Cut?	
Expect Take-home Pay to...	All Families	Yes	No
Increase	44%	51%	39%
Stay the same	41	38	46
Decrease	2	1	2
Does not pay taxes	9	8	9
Don't know	2	1	2
Not ascertained	2	1	2
Total	100%	100%	100%
Cases	690	343	275
Expected Increase in Monthly Take-home Pay			
Median	$40	$45	$38
Mean	$71	$72	$72
Planned Use of Increase in Take-home Pay			
Spend	46%	41%	55%
New purchases	12	16	8
Current expenses	34	25	47
Save, invest	42	50	34
Both spend & save	3	4	3
Don't know; NA	9	5	8
Total	100%	100%	100%
Cases	690	343	275

The questions were: "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?"

"What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

A comparison with prior studies conducted before the 1964 tax cut indicates no difference in consumer reactions to the potential tax cuts (Table E). The same proportions reported spending as well as savings plans in both 1963 and 1981. Spending plans, however, differed significantly in their composition--most of those with spending plans in 1963 reported intentions to make new purchases, while spending plans in 1981 were to help meet current expenses and repay bills, rather than for new purchases. This may reflect the harsh impact inflation has had in recent years.

TABLE E

COMPARISON OF EXPECTED USE OF REDUCTION IN TAXES

	1963	1981
Spend	46%	46%
New purchases	34	12
Current expenses	12	34
Save, Invest	42	42
Both spend and save	8	3
Don't know, NA	4	9
Total	100%	100%

Buying Conditions

The April 1981 survey recorded a sizable improvement in favorable buying attitudes toward large household durables. The proportion holding favorable attitudes grew to 54 percent in April 1981, up from 43 percent in March, and 41 percent in April 1980. In comparison with a year earlier, the role of prices in market evaluations for household durables has changed dramatically. In April 1981, 21 percent of all families rated buying conditions favorable because of the availability of good buys at low prices, up from just 9 percent in April 1980; while, at the same time, mentions of high prices making current buying conditions unfavorable fell from 30 percent in April 1980 to 19 percent in April 1981. In addition, mentions of high interest rates and tight credit making buying conditions for durables unfavorable fell to 17 percent in April 1981, from 28 percent a year earlier. During the past month, buy-in-advance rationales increased to 31 percent in April 1981, up from 23 percent in March.

There was a more modest improvement in favorable attitudes toward buying conditions for houses. In the April 1981 survey, 26 percent of all families rated buying conditions for houses as favorable, up from 20 percent in March, and 19 percent in April 1980. The majority, however, still hold unfavorable views toward buying conditions for houses, with more than two-in-three respondents reporting unfavorable views in April 1981. The slightly improved but nonetheless unfavorable outlook was due to somewhat less concern with high interest rates and tight credit conditions in April 1981 (66 percent) than one month or one year earlier (76 percent).

Attitudes toward buying conditions for vehicles have remained largely unchanged during the first four months of 1981, at somewhat more favorable levels than a year earlier. By April 1981, 42 percent of all families held favorable attitudes toward car buying conditions, up from 35 percent in April 1980. Unfavorable evaluations, however, continued to dominate responses, with 49 percent of all families holding unfavorable car buying attitudes in April 1981, down somewhat from 55 percent in April 1980. When asked to explain their views on buying conditions for vehicles, the favorable impact of price discounts and rebates were mentioned by 25 percent of all families in April 1981, up significantly from the 15 percent recorded in April 1980. Just as many families, however, mentioned that high prices made buying conditions unfavorable in April 1981 as a year earlier. In addition, consumer concern with high interest rates and tight credit conditions was almost as pronounced in April 1981 (22 percent) as in April 1980 (24 percent).

Charts 1-4 display the time series relationship between consumer sentiment measures and unit retail sales of new passenger cars and unit sales of new and existing one-family homes. The Index of Consumer Sentiment has shown a longer lead time in comparison with the specific questions on buying conditions for autos and houses (compare Charts 1 and 2 and Charts 3 and 4). These results are not unexpected since the Index contains several expectational measures, whereas the other variable focuses on current market conditions. Similar results were found for sales of single family homes after the series was adjusted to account for a linear trend over time.

* * *

The April survey included 690 interviews conducted between March 23 and April 18, 1981.

CHART 1

THE ICS AND TOTAL UNIT CAR SALES

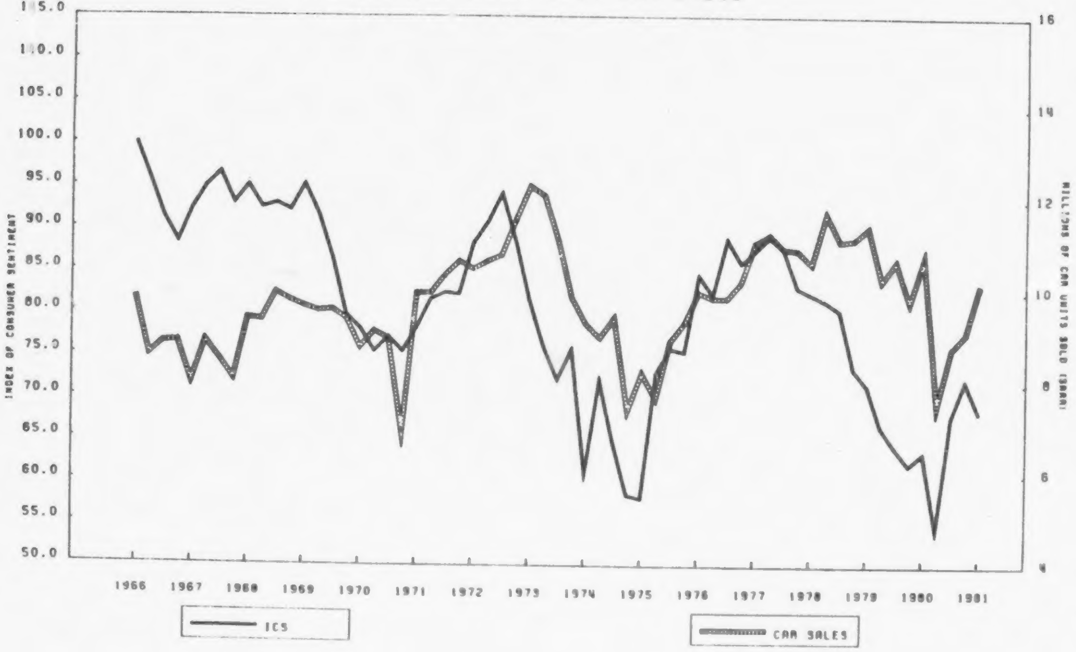


CHART 2

BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES

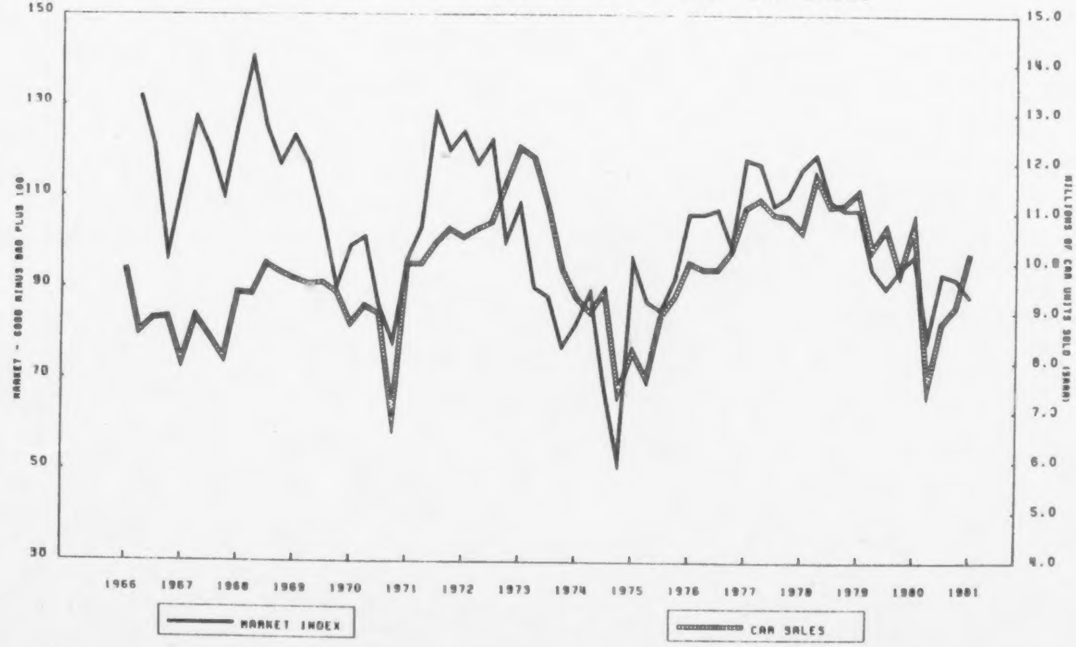


CHART 3

THE ICS AND TOTAL HOME SALES

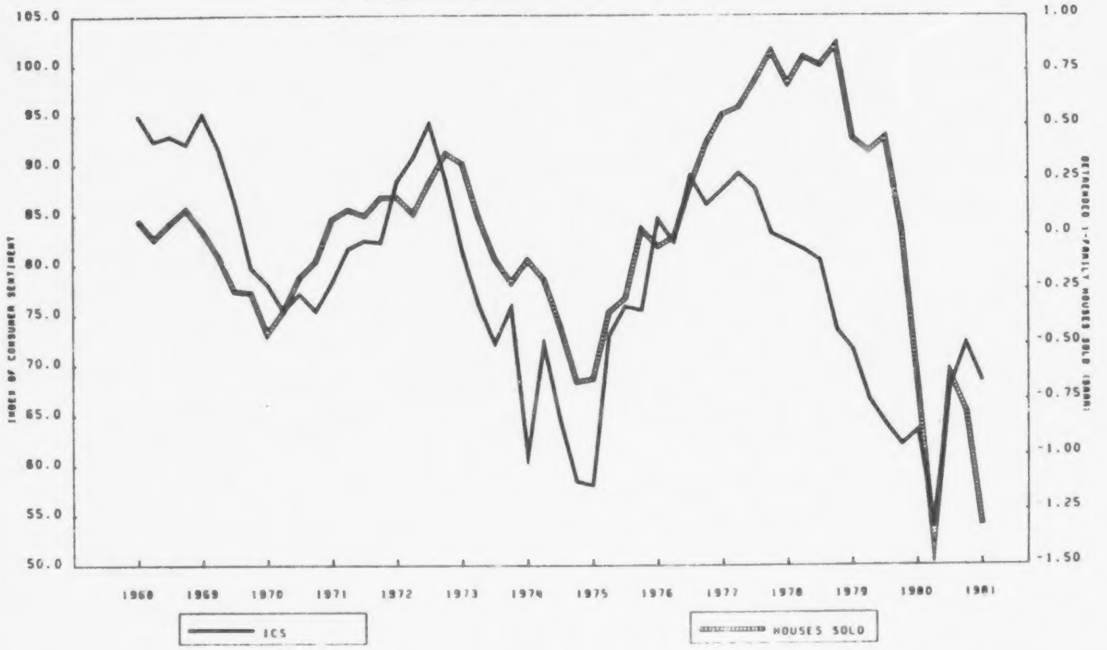
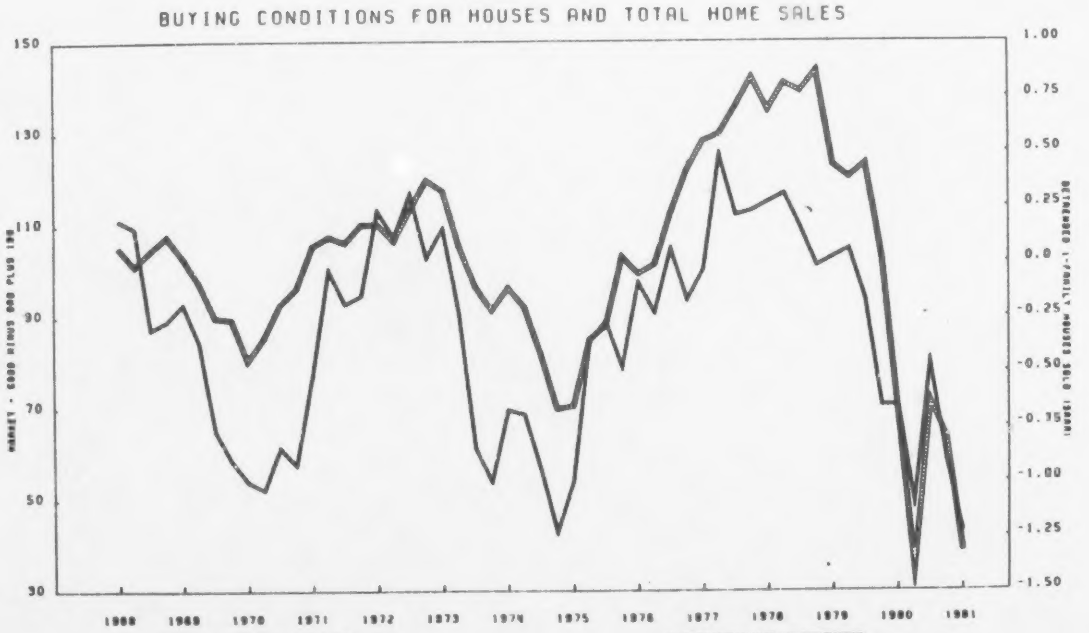


CHART 4

BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES



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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

MAY 1981

The May 1981 survey is the 152nd in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

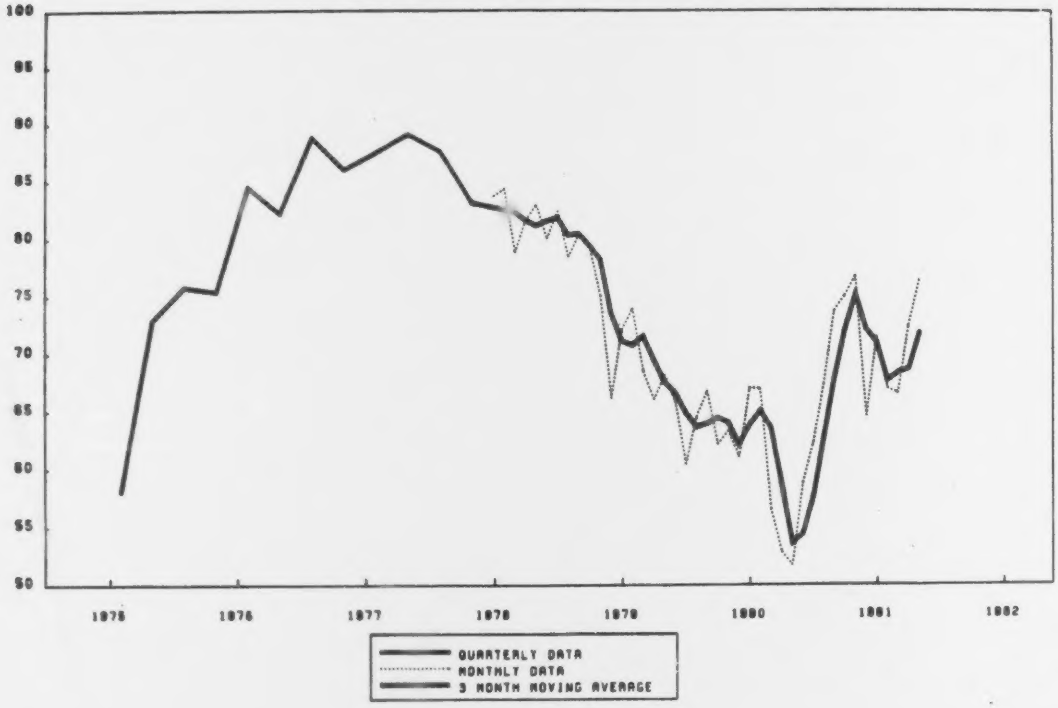


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

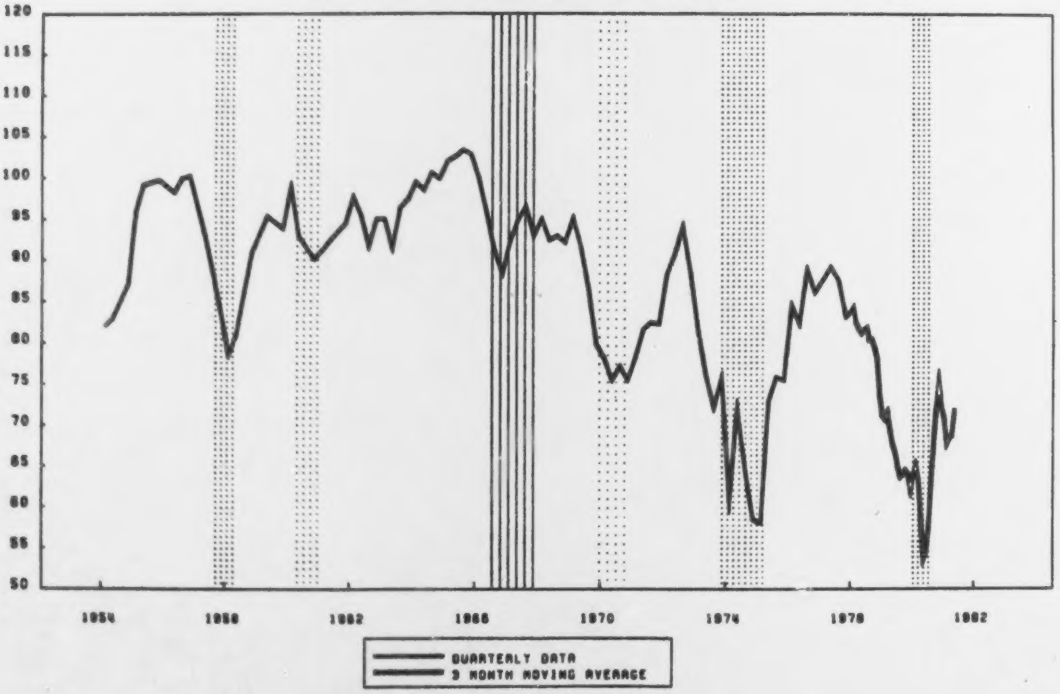


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
May	1978	82.9	87.1	90.0
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0

CHART 2A
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

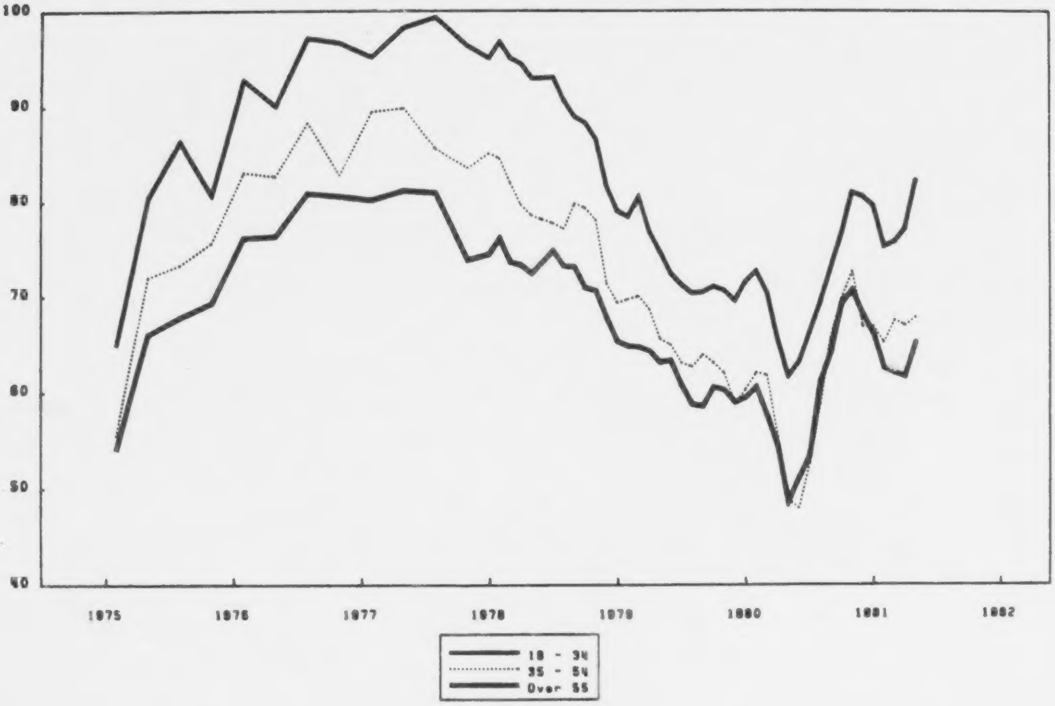


CHART 2B
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

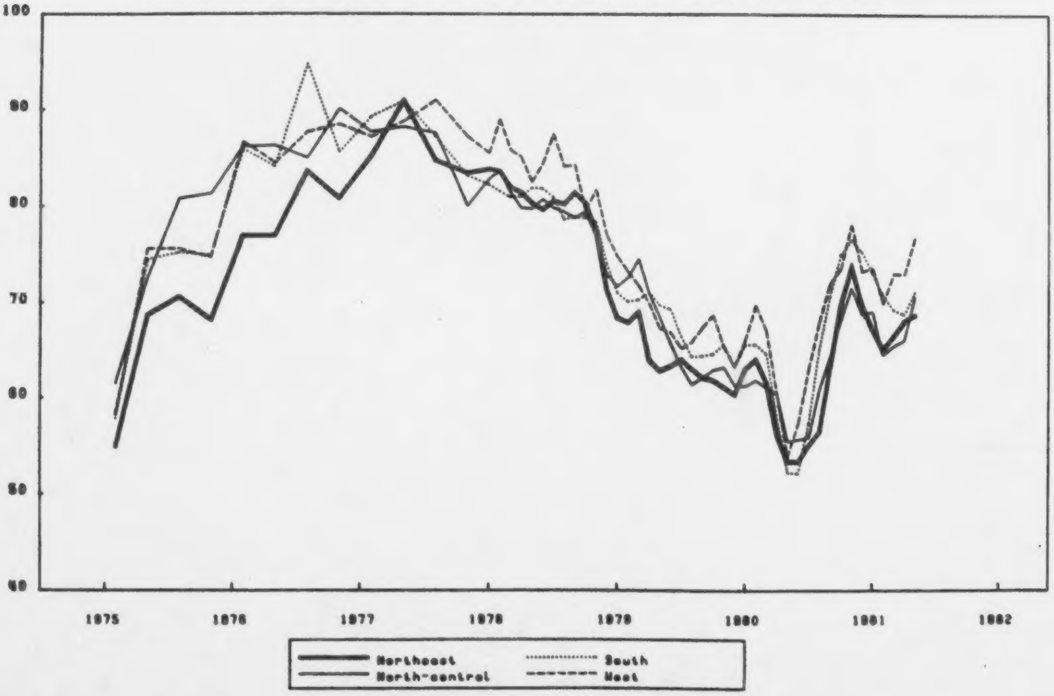


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

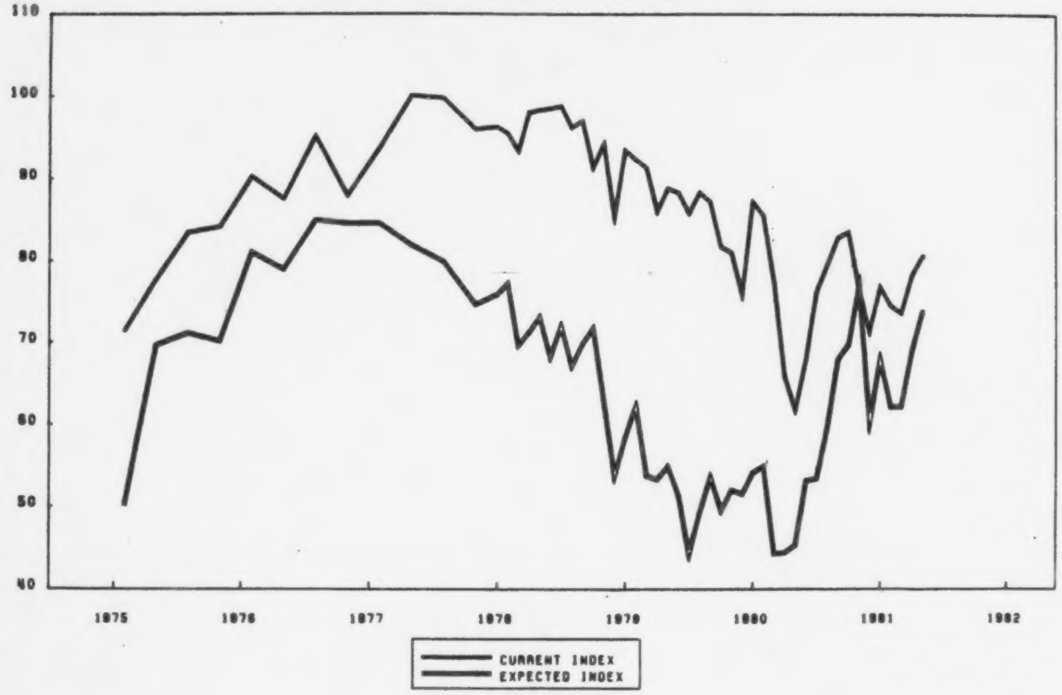
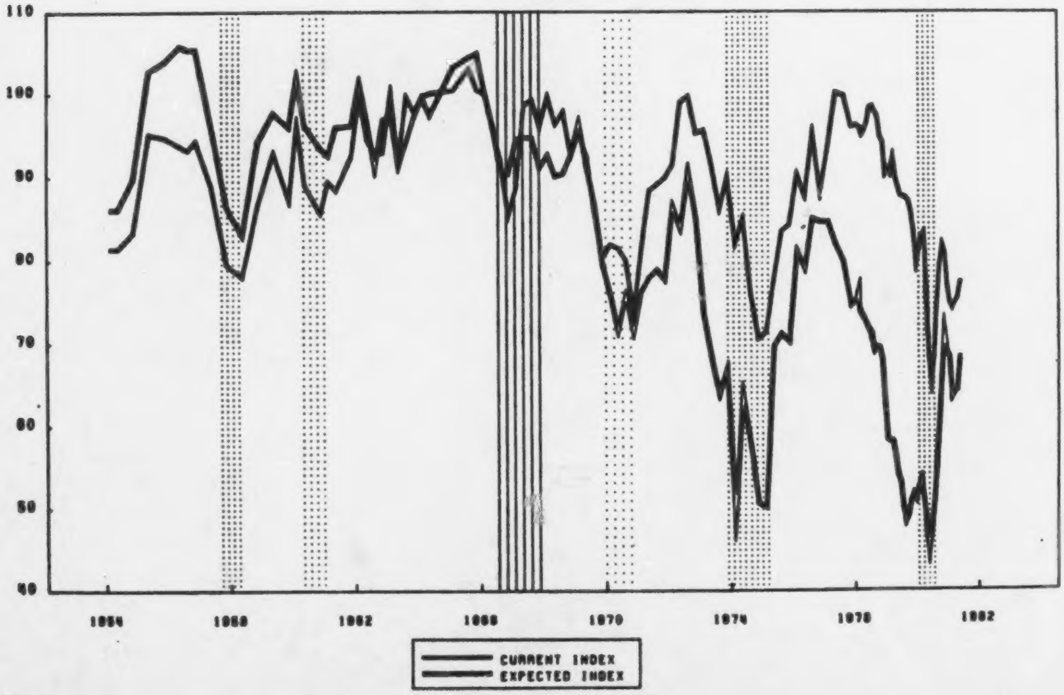


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

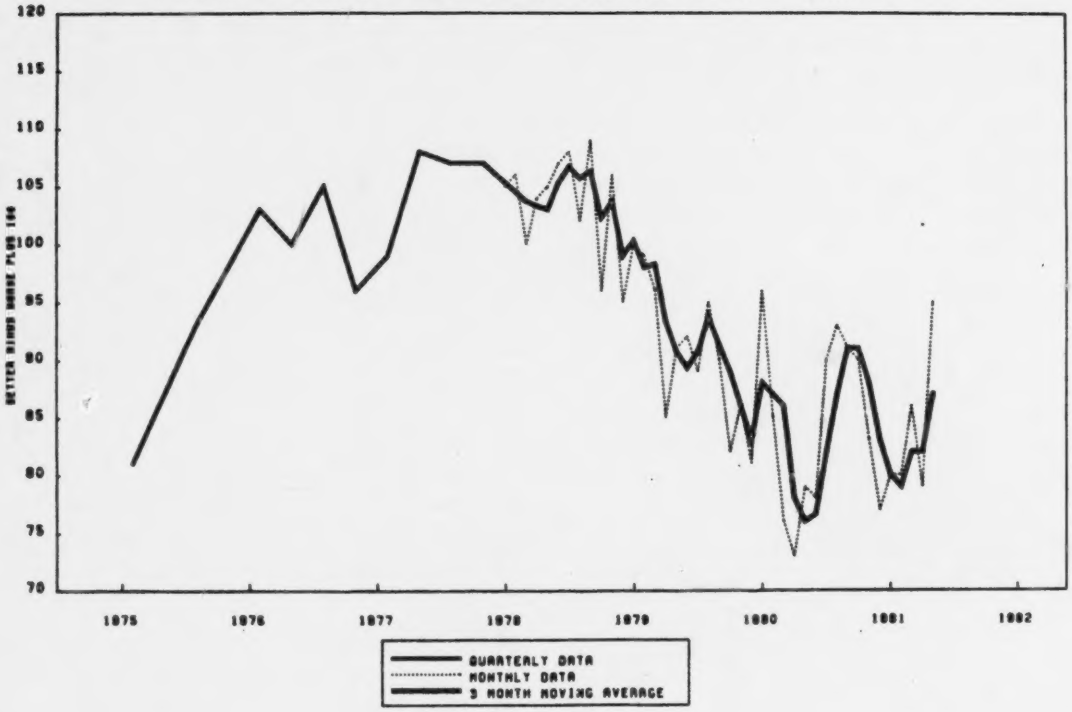


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

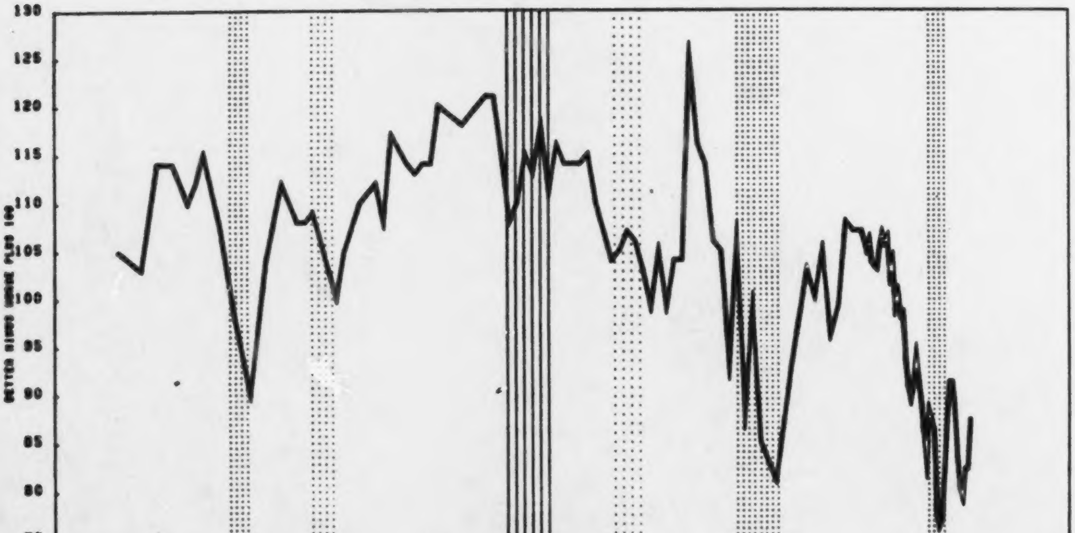


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
BETTER OFF	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%	29%	25%	31%
SAME	26	26	29	26	27	30	26	26	30	26	28	28	32
WORSE OFF	47	47	40	40	40	40	45	48	45	47	43	46	36
DK,NA	1	2	1	1	2	*	1	1	*	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

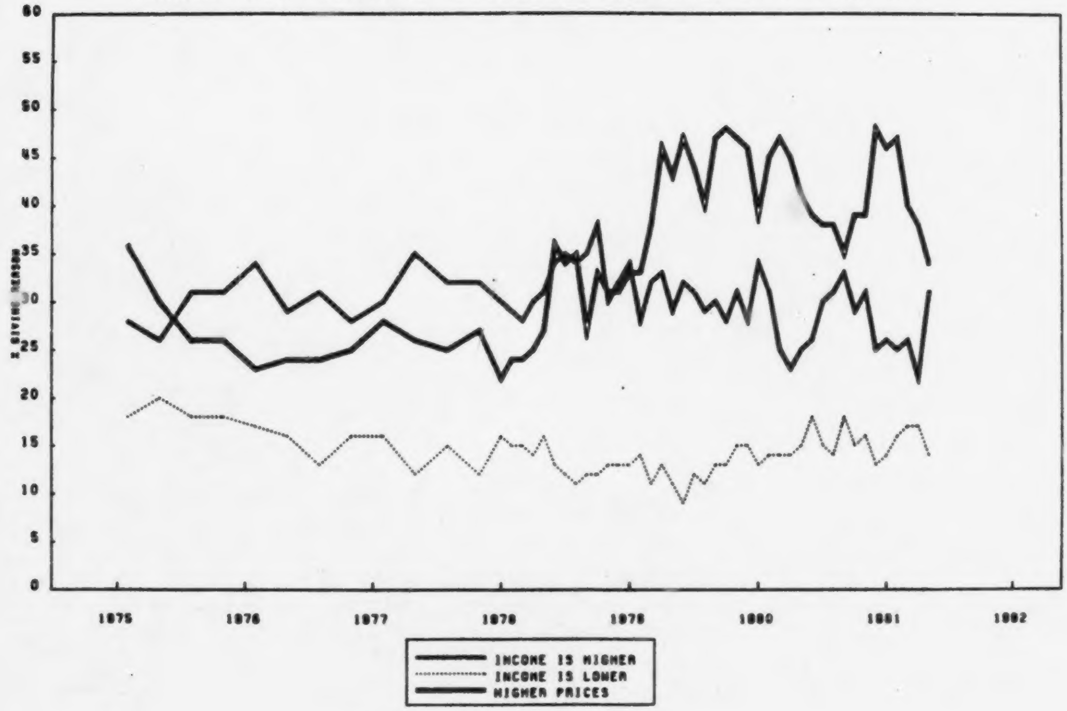


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%	26%	22%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	18	15	14	18	15	16	13	14	16	17	17	14
Higher prices	41	39	38	38	35	39	39	48	46	47	40	38	34

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

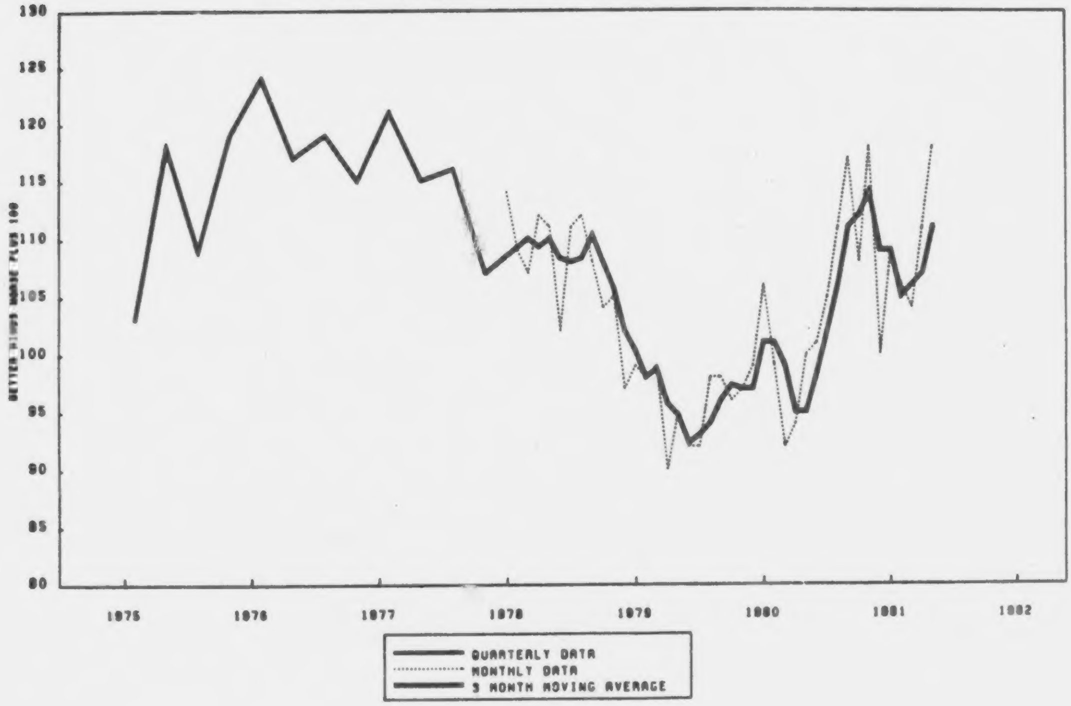


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

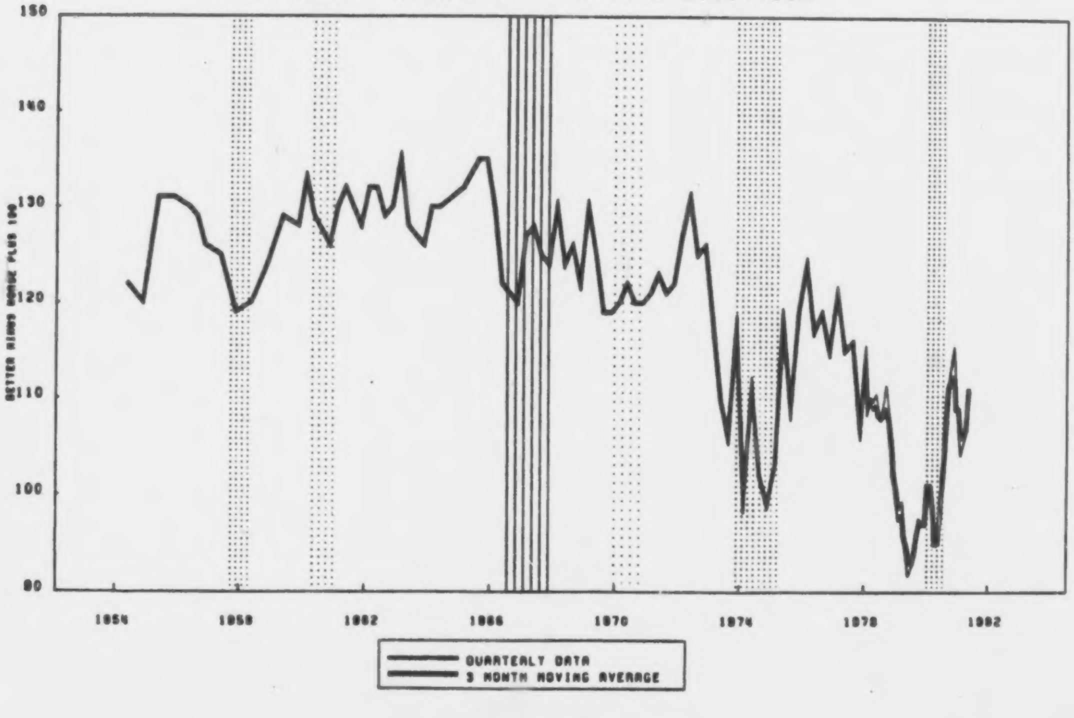


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TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
BETTER OFF	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%	28%	30%	34%
SAME	43	46	48	48	45	50	42	45	48	48	45	47	48
WORSE OFF	27	25	21	19	17	17	17	25	18	20	24	19	16
DK,NA	3	3	5	3	4	8	6	5	7	6	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

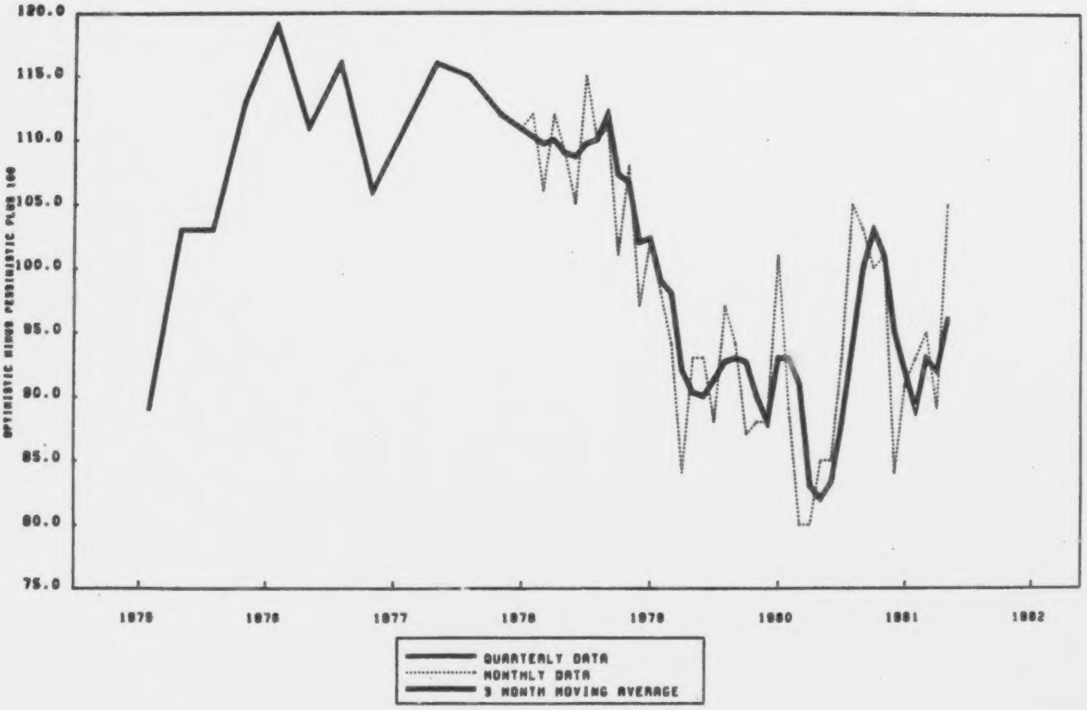

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

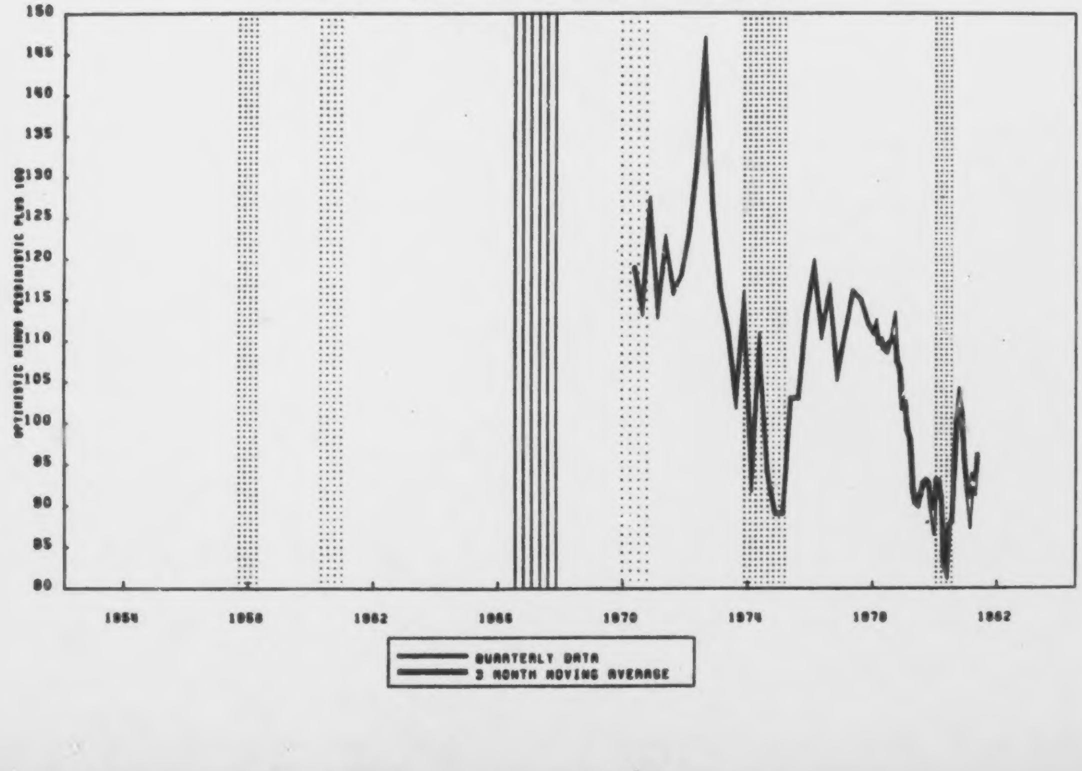

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%	12%	11%	15%
Intermittant increase (b)	17	16	19	22	19	20	19	18	17	20	19	16	23
Remain unchanged (c)	12	14	14	16	15	18	13	12	16	15	15	14	15
Intermittant decline (d)	27	27	28	17	21	21	22	28	25	23	22	27	25
Continuous decline (e)	16	14	10	12	9	11	9	15	11	12	14	11	8
Mixed change (f)	14	15	11	18	16	10	18	13	14	16	14	15	12
DK,NA	3	4	6	3	6	8	6	5	7	6	4	6	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
EXPECT INCREASE:													
1-4%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%	7%	6%	6%
5%	7	7	8	10	7	7	10	7	8	7	9	8	10
6-9%	12	13	11	15	16	15	10	12	10	10	11	11	11
10-24%	24	25	20	20	21	21	26	22	21	20	21	22	28
25% or more	6	8	5	6	5	7	7	7	6	7	7	7	8
DK how much up	8	8	10	9	10	10	8	8	9	9	9	9	7
EXPECT SAME	22	21	21	21	21	21	24	22	24	24	21	25	19
EXPECT DOWN	13	12	18	11	10	9	7	11	12	11	12	10	8
DK,NA	2	1	2	2	3	2	3	3	4	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

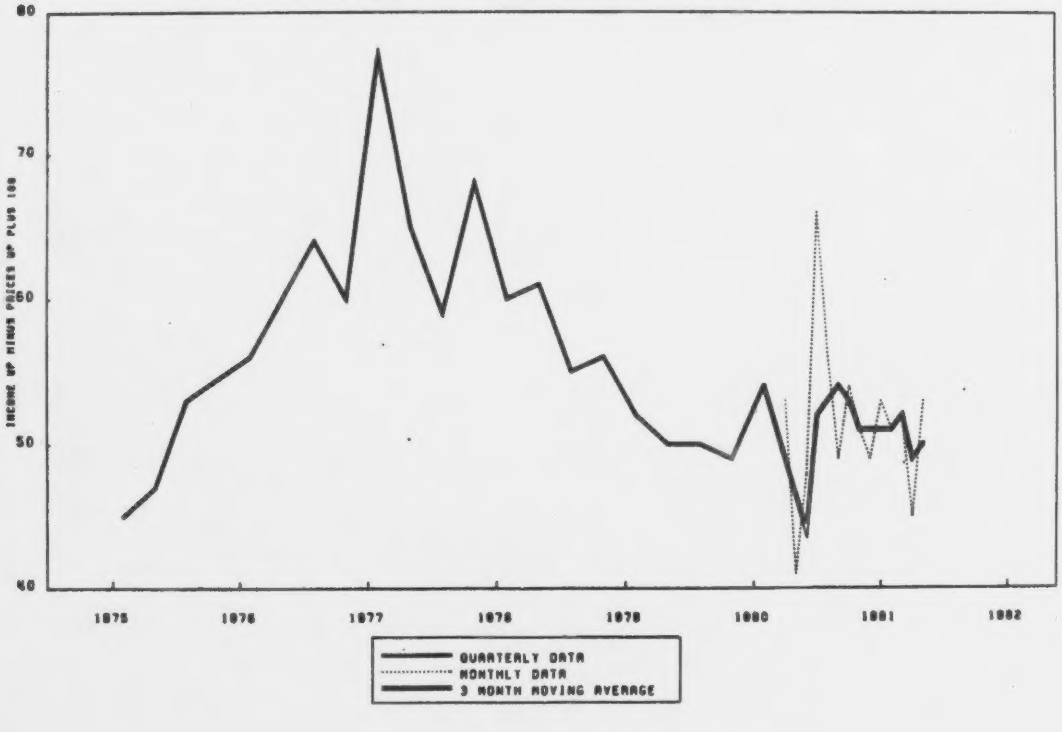

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
INCOME UP MORE	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%	13%	9%	12%
INCOME UP SAME	22	25	30	29	24	25	30	24	25	28	24	26	28
PRICES UP MORE	67	63	56	57	63	59	59	62	60	59	61	64	59
DK,NA	3	1	2	1	1	3	1	3	2	3	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

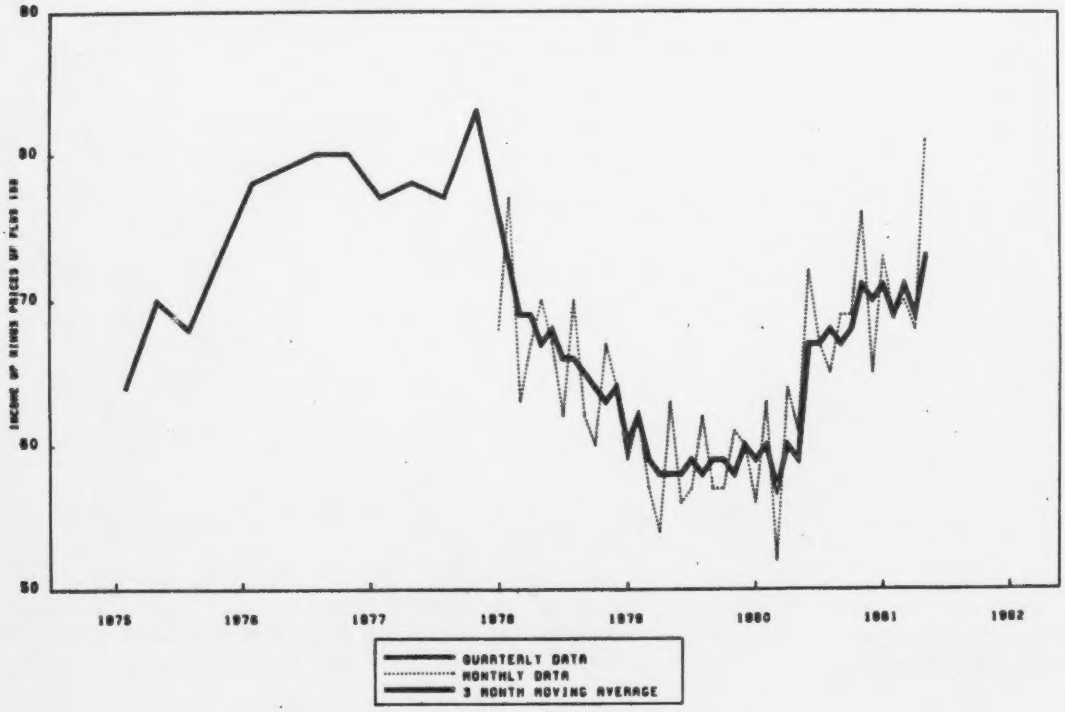

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
INCOME UP MORE	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%	14%	13%	19%
INCOME UP SAME	34	41	38	40	38	42	42	36	39	43	38	39	41
PRICES UP MORE	51	42	45	46	45	43	40	47	41	42	44	45	38
DK,NA	3	3	5	3	3	3	2	5	6	4	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

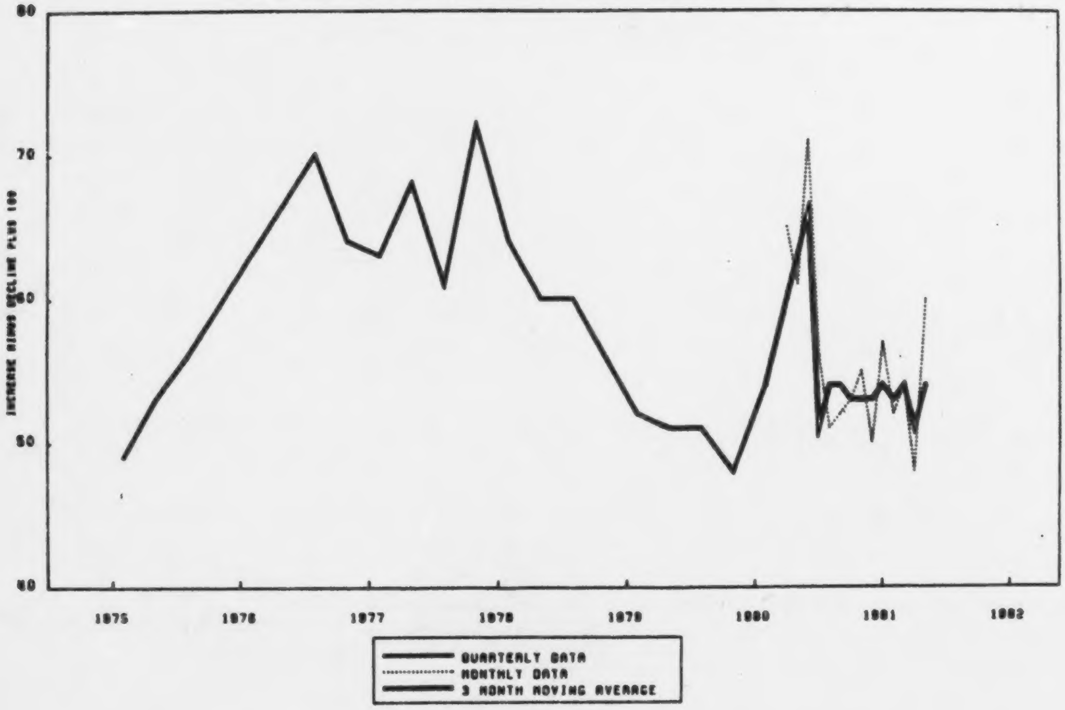

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%	6%	4%	6%
Intermittant increase (b)	9	8	9	11	9	6	9	7	8	8	9	7	10
Remain unchanged (c)	11	16	17	17	14	18	17	14	17	18	14	17	16
Intermittant decline (d)	22	26	23	22	23	25	27	24	22	25	26	25	25
Continuous decline (e)	44	35	35	37	39	34	33	38	35	35	35	38	31
Mixed change (f)	6	7	5	6	6	7	5	6	6	5	5	6	9
DK,NA	6	3	6	4	4	4	3	6	6	5	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

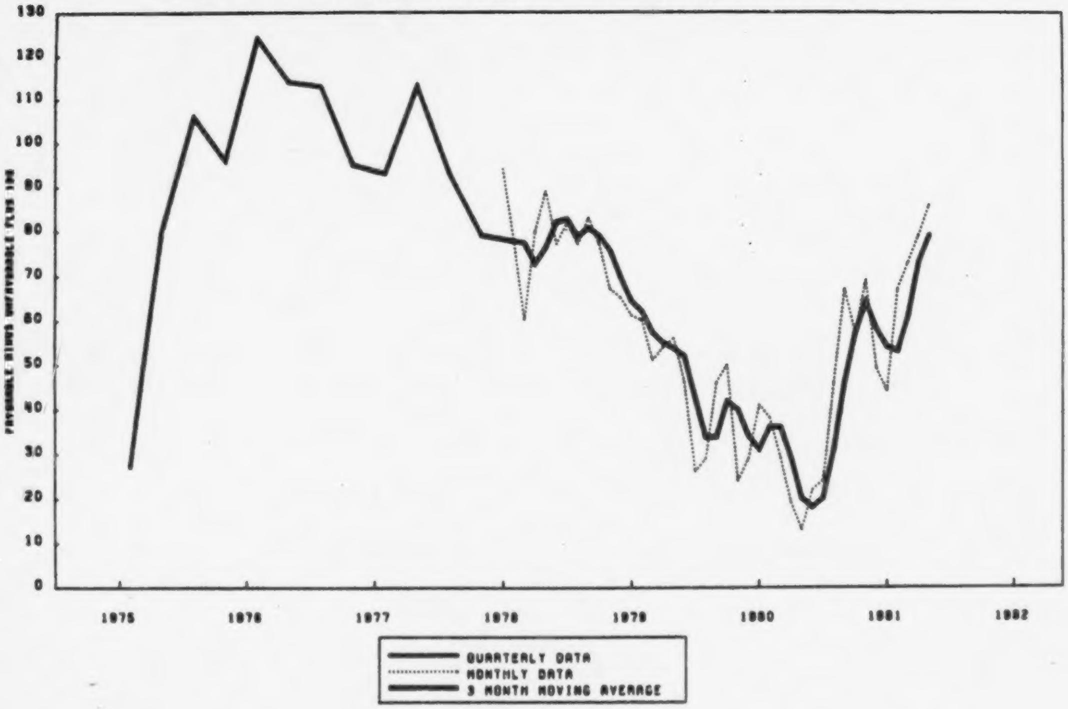

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

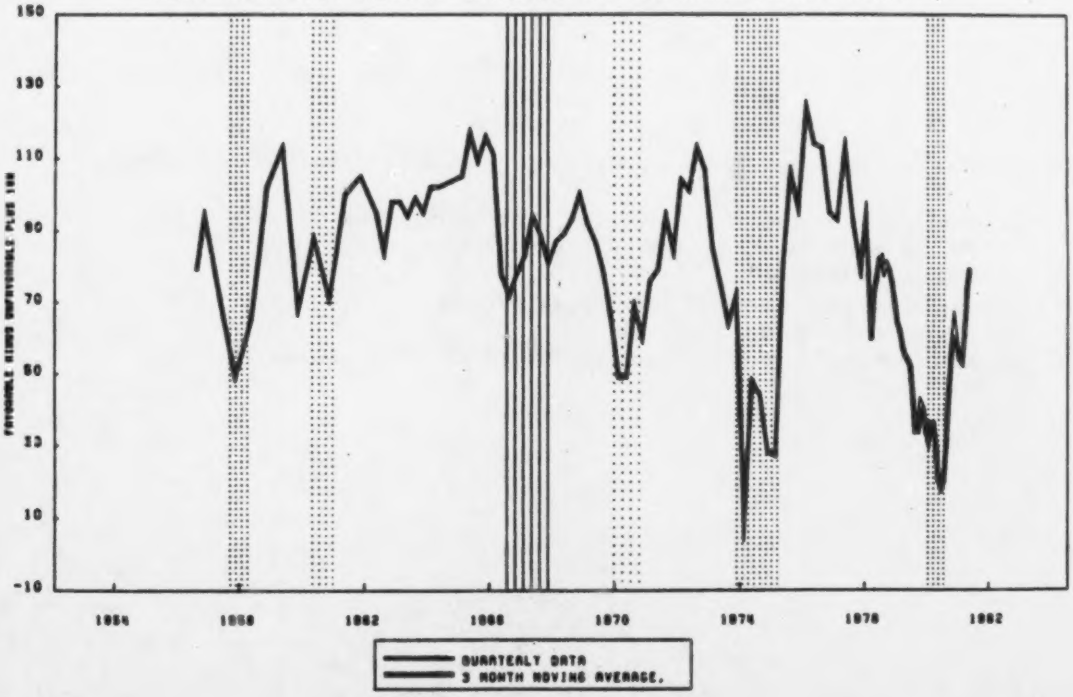

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
FAVORABLE NEWS	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%	30%	28%	31%
UNFAVORABLE NEWS	97	93	95	78	63	72	58	68	75	56	57	49	45
NO MENTIONS	30	29	30	34	38	33	47	44	39	46	42	47	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
FAVORABLE NEWS:													
Government; elections	*	1%	*	1%	2%	1%	7%	4%	4%	9%	9%	6%	4%
Employment	1	3	4	7	7	10	7	5	4	5	8	7	8
Consumer demand high	*	1	1	1	3	3	2	1	2	1	1	3	4
Prices are low	1	1	1	*	1	2	1	*	*	1	1	2	2
Credit is easy	5	7	7	8	7	3	1	*	3	3	4	5	2
UNFAVORABLE NEWS:													
Government; elections	4	2	4	3	1	4	3	2	4	5	7	7	4
Unemployment	40	50	43	31	25	26	21	18	19	15	19	19	14
Consumer demand low	10	9	12	12	8	8	8	11	14	9	10	6	6
Prices are high	11	8	12	13	10	10	9	8	11	10	6	6	4
Credit is tight	16	9	5	5	8	12	9	19	14	7	4	4	7
Energy crisis	*	1	1	1	*	1	*	1	1	*	1	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

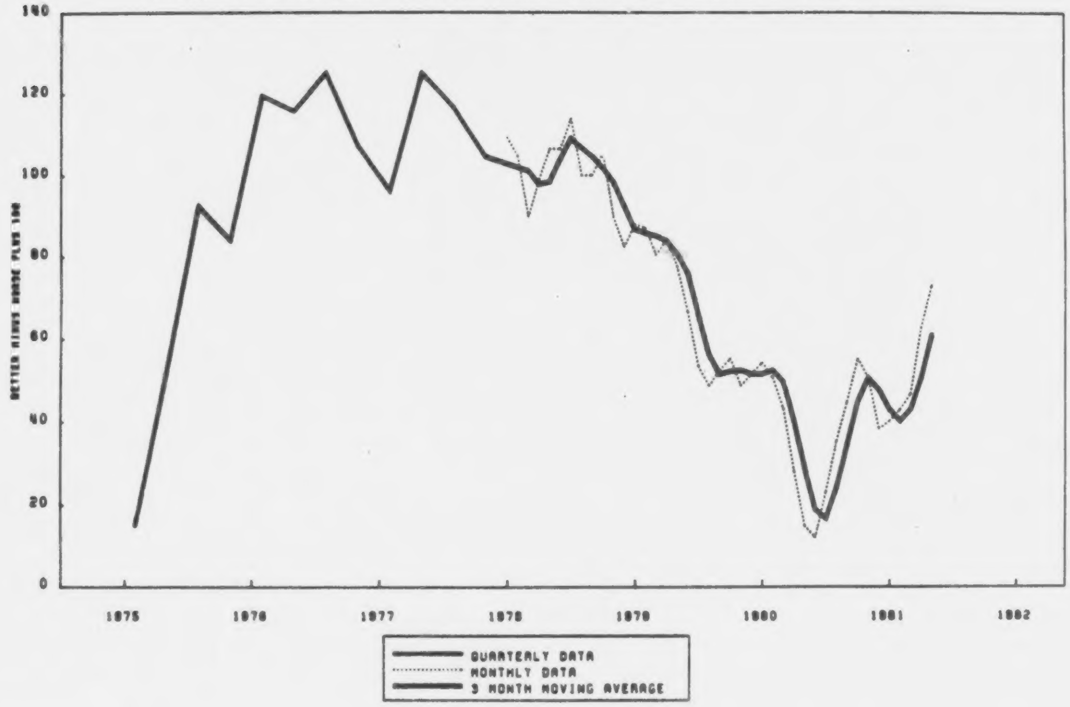

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

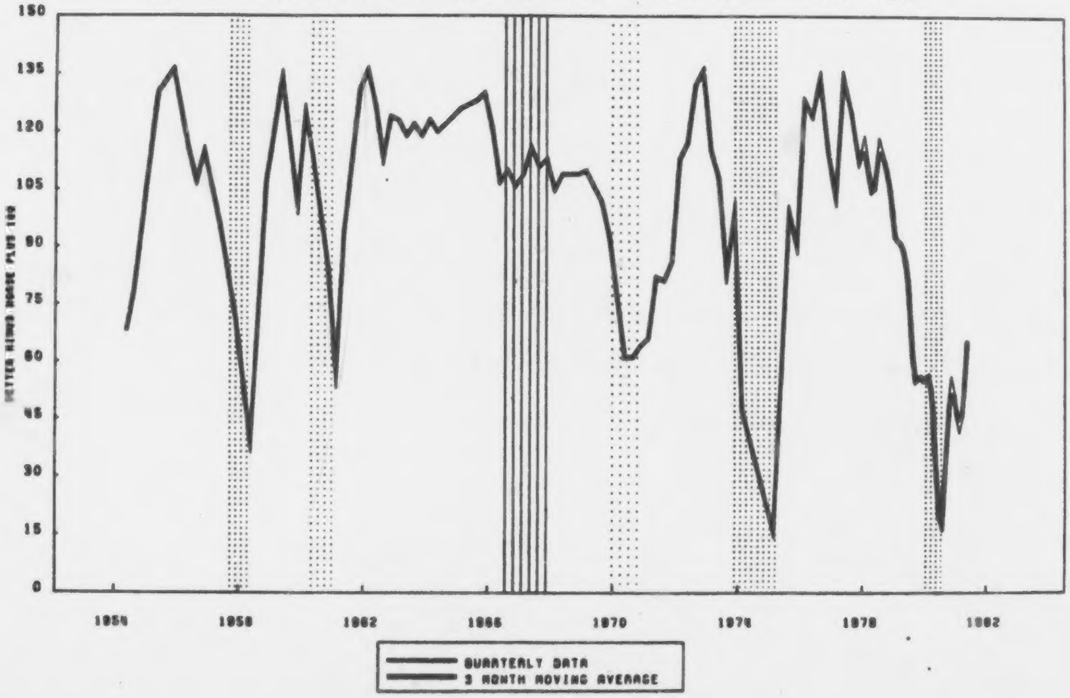

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
BETTER NOW	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%	17%	24%	30%
SAME	4	5	4	7	10	10	10	12	13	15	14	17	17
WORSE NOW	90	90	85	77	70	64	67	72	71	68	67	57	52
DK,NA	*	1	1	1	2	3	2	3	2	3	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

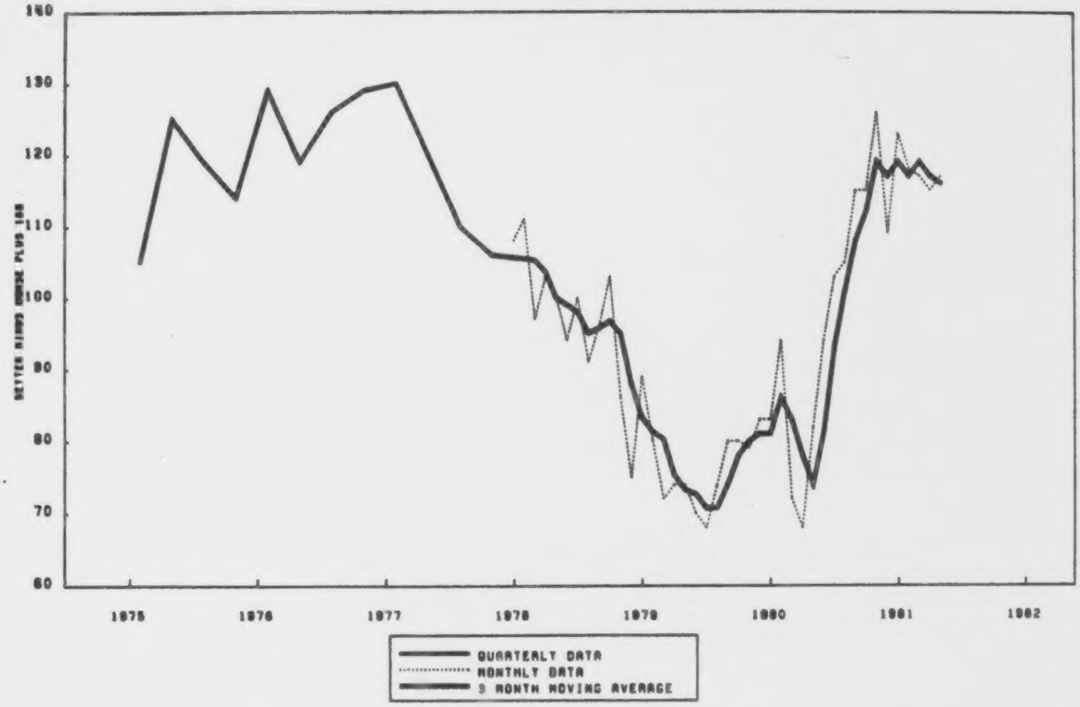

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

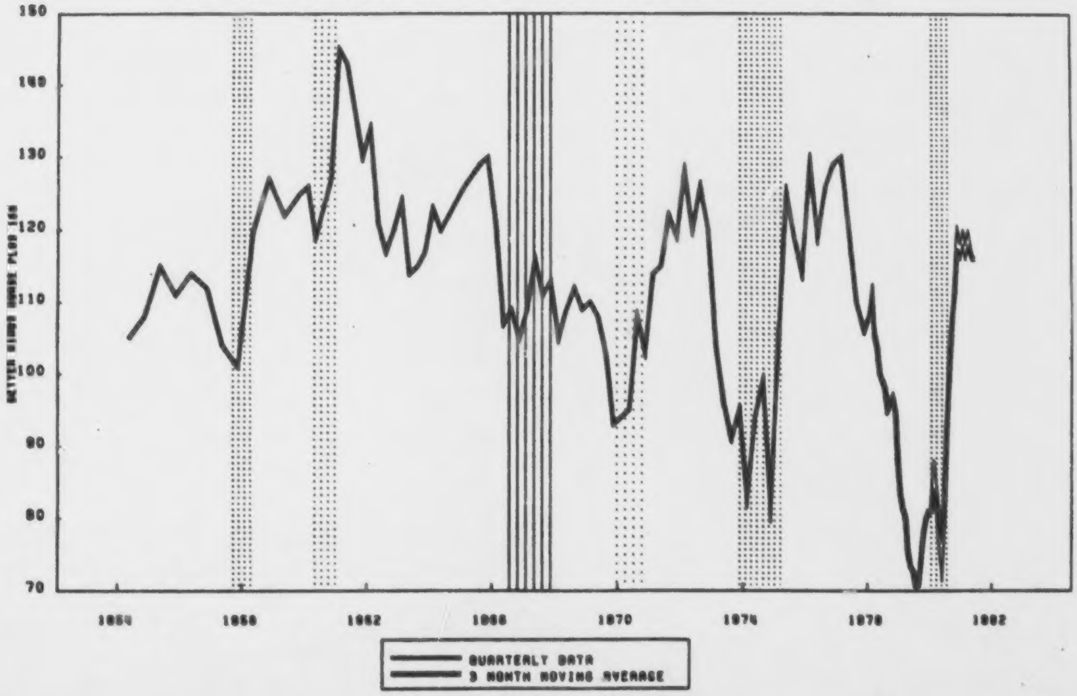

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
BETTER	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%	38%	36%	36%
SAME	37	38	43	44	47	44	42	46	42	46	38	41	44
WORSE	39	32	25	23	17	18	14	20	16	16	21	21	19
DK,NA	3	4	4	5	4	5	4	5	3	4	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
FAVORABLE REASONS:													
Government; elections	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%	32%	31%	25%
Employment	2	3	4	4	5	5	5	3	4	2	4	4	4
Higher consumer demand	3	1	2	3	4	5	3	2	2	3	2	2	2
Lower prices	2	3	1	1	3	3	2	3	2	2	3	2	3
Easier credit	4	5	2	3	3	2	3	2	4	2	2	2	3
UNFAVORABLE REASONS:													
Government; elections	7	7	12	7	7	11	7	8	7	7	9	8	8
Unemployment	14	12	10	7	6	4	5	8	7	6	6	6	5
Lower consumer demand	5	5	6	7	3	2	2	6	5	4	4	5	4
Higher prices	14	10	9	14	10	10	8	10	8	12	8	10	6
Tighter credit	6	4	2	2	2	2	2	7	4	2	2	2	3
Energy crisis	2	1	1	1	1	1	1	*	1	1	1	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

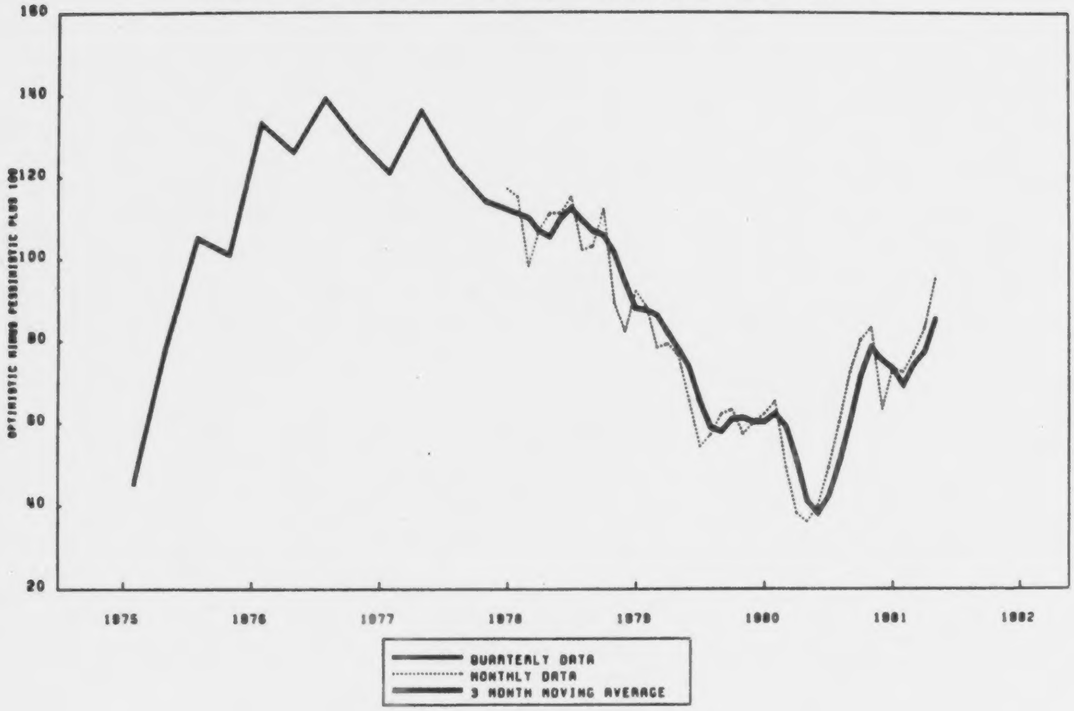

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

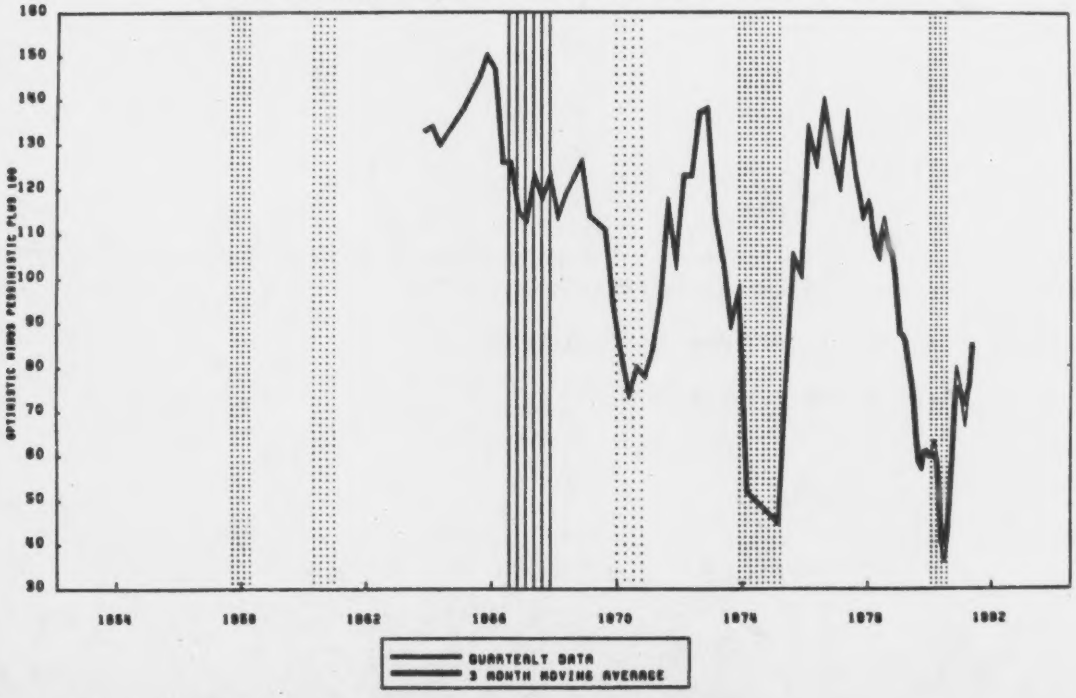

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
TREND:													
Continuous increase (a)	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%	9%	15%	14%
Intermittant increase (b)	5	4	7	9	10	13	14	10	11	12	12	13	17
Remain unchanged (c)	1	2	1	3	6	5	4	5	7	7	6	8	10
Intermittant decline (d)	34	35	37	35	33	28	29	36	30	33	27	29	24
Continuous decline (e)	36	30	23	19	14	14	13	16	14	14	17	16	12
Mixed change (f)	20	23	26	23	23	23	24	21	27	21	25	16	20
DK,NA	3	5	4	6	5	8	5	7	5	6	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

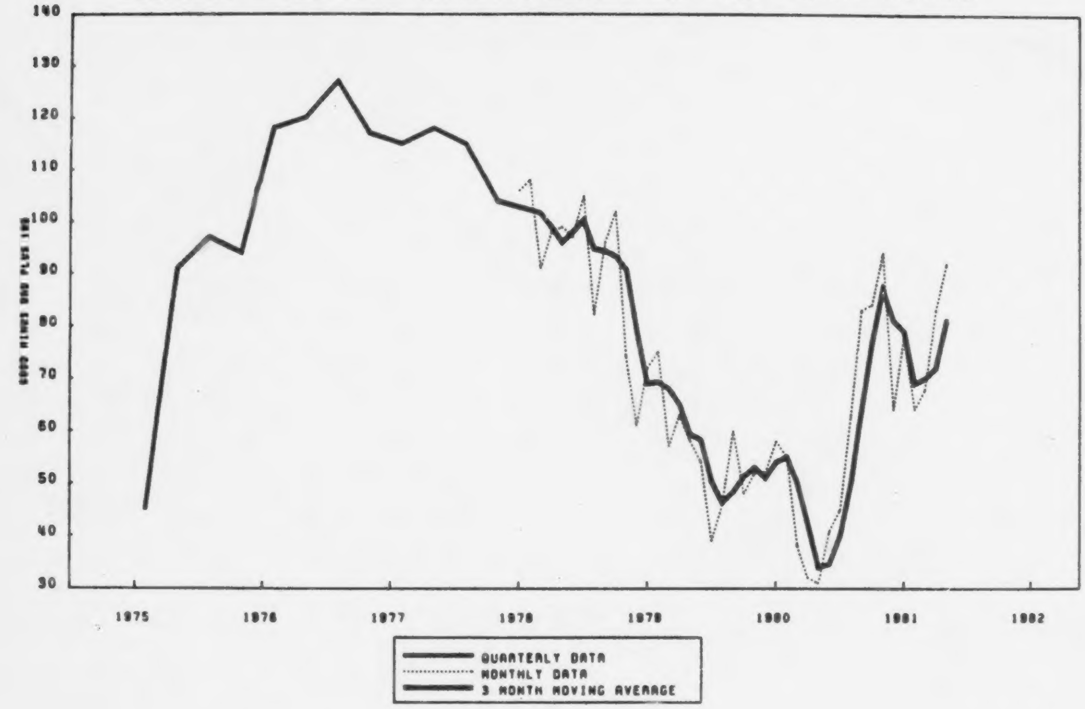

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

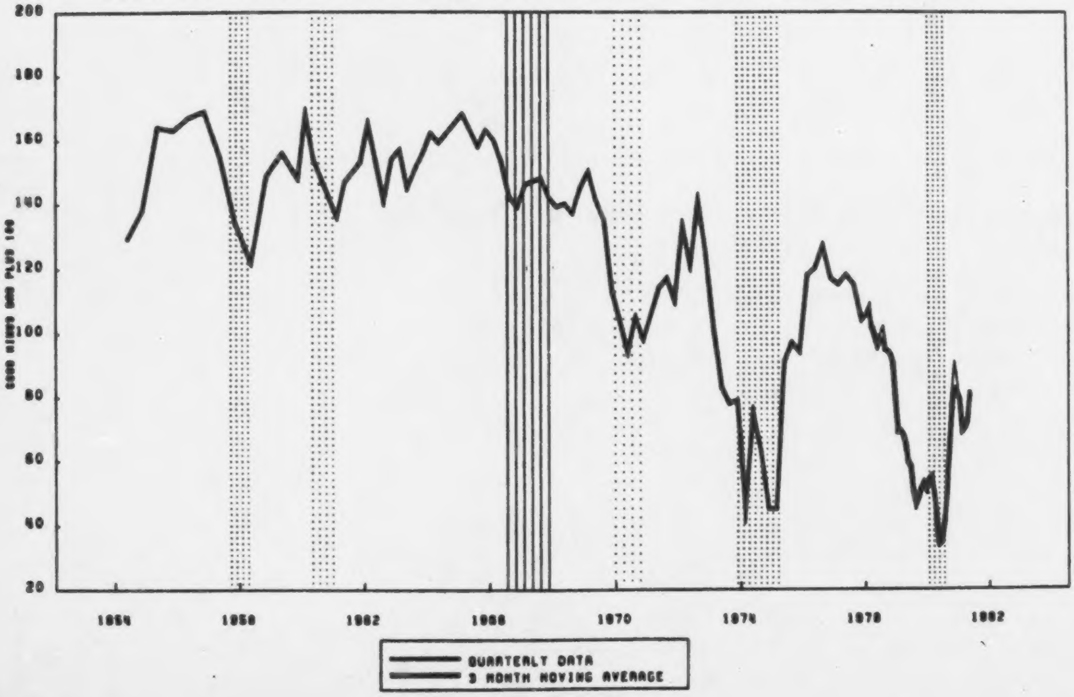

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIMES	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%	27%	36%	41%
UNCERTAIN; GOOD & BAD	1	1	1	2	2	2	2	1	2	2	3	3	3
BAD TIMES	82	75	74	62	52	49	45	62	53	62	59	53	49
DON'T KNOW	3	4	4	7	7	8	8	7	10	6	6	6	5
NOT ASCERTAINED	1	2	2	4	4	8	6	4	4	4	5	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

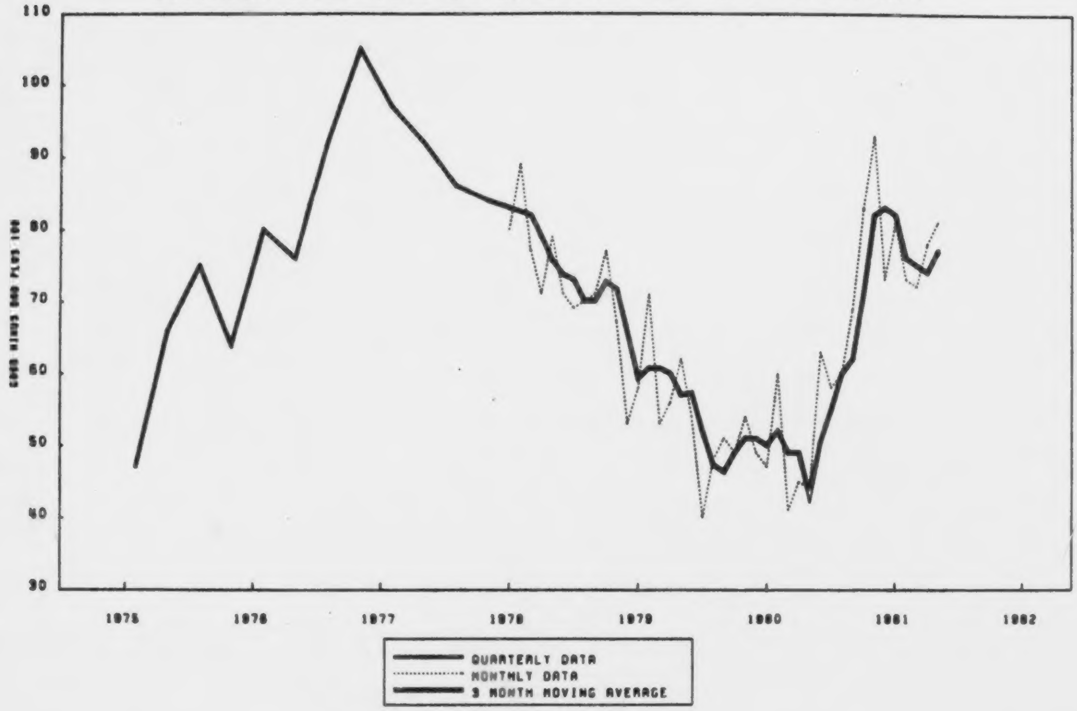

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

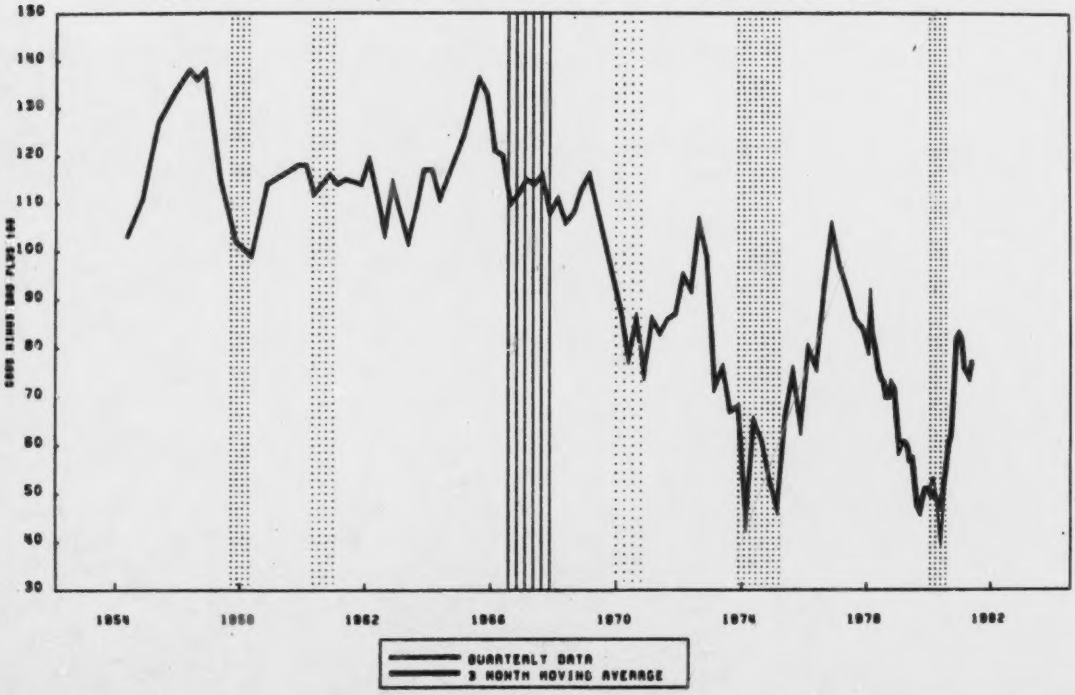

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIMES	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%	27%	30%	33%
UNCERTAIN; GOOD & BAD	10	12	13	16	14	19	15	16	15	12	14	13	11
BAD TIMES	71	59	61	59	56	44	43	52	49	55	55	52	52
NOT ASCERTAINED	4	7	7	6	5	10	6	7	6	5	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

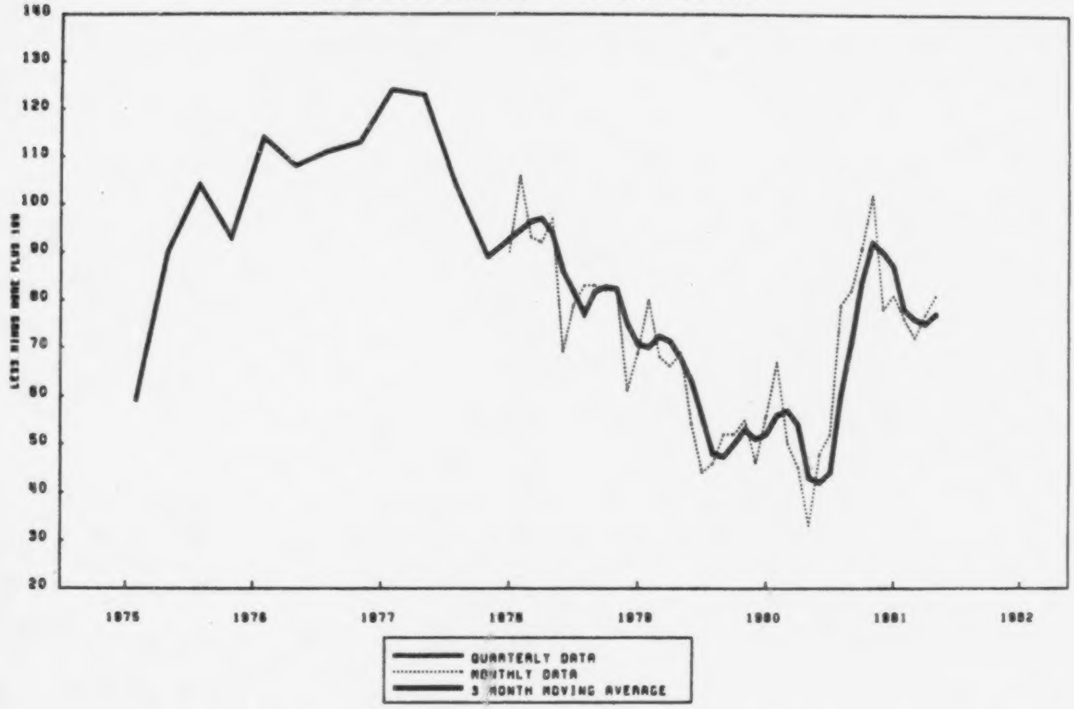

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

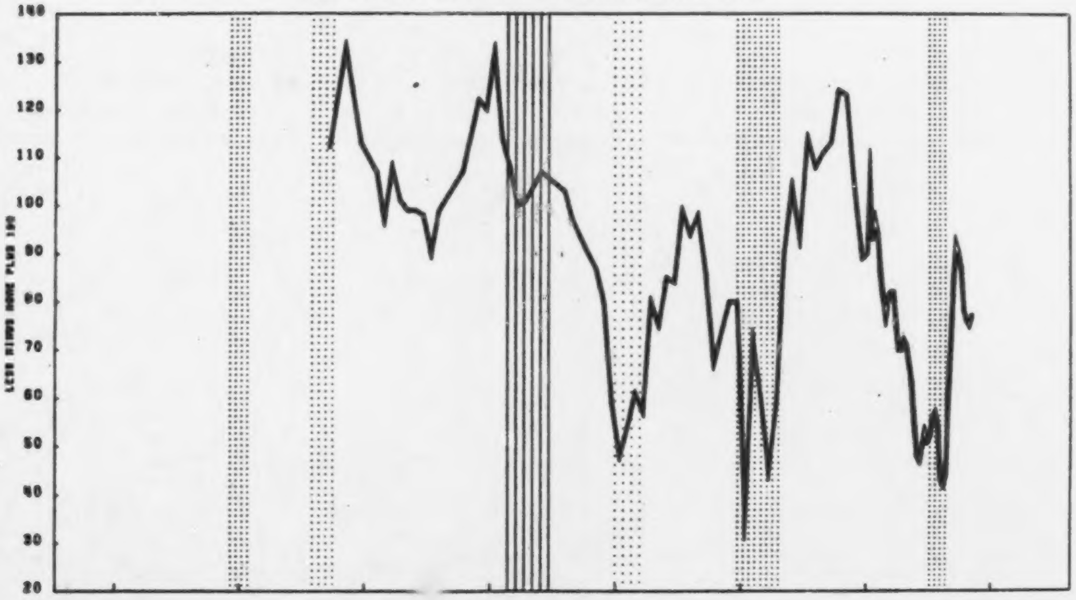

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
LESS	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%	13%	17%	17%
SAME	23	25	30	38	36	46	47	41	41	42	43	41	46
MORE	72	63	59	40	40	30	24	39	38	40	41	40	36
DK,NA	*	1	*	3	2	3	3	3	2	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

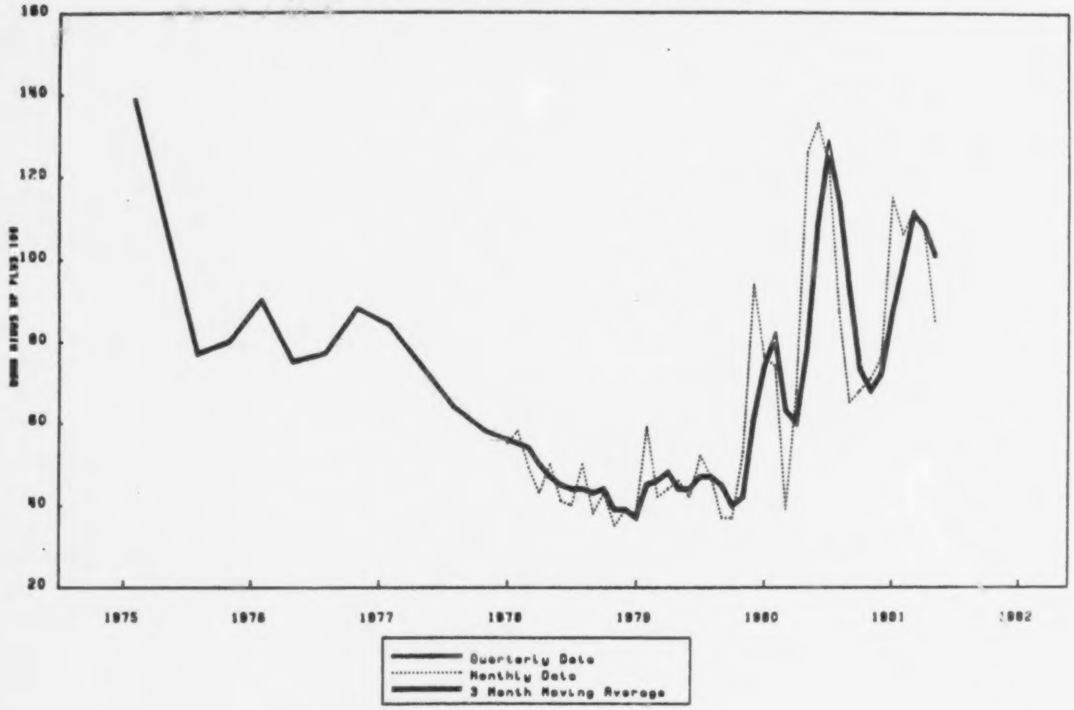

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

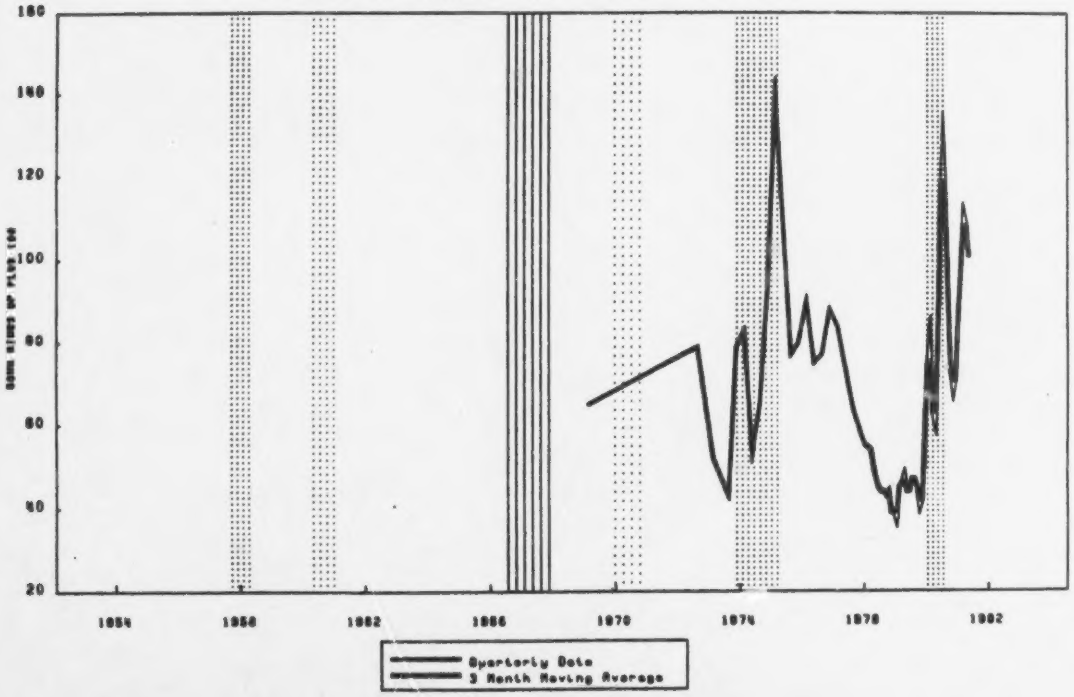

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GO UP	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%	29%	31%	41%
STAY THE SAME	20	22	31	30	25	26	22	14	20	24	26	27	30
GO DOWN	52	54	44	26	18	17	22	29	44	37	41	38	26
DK,NA	2	3	4	5	4	8	5	4	7	8	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

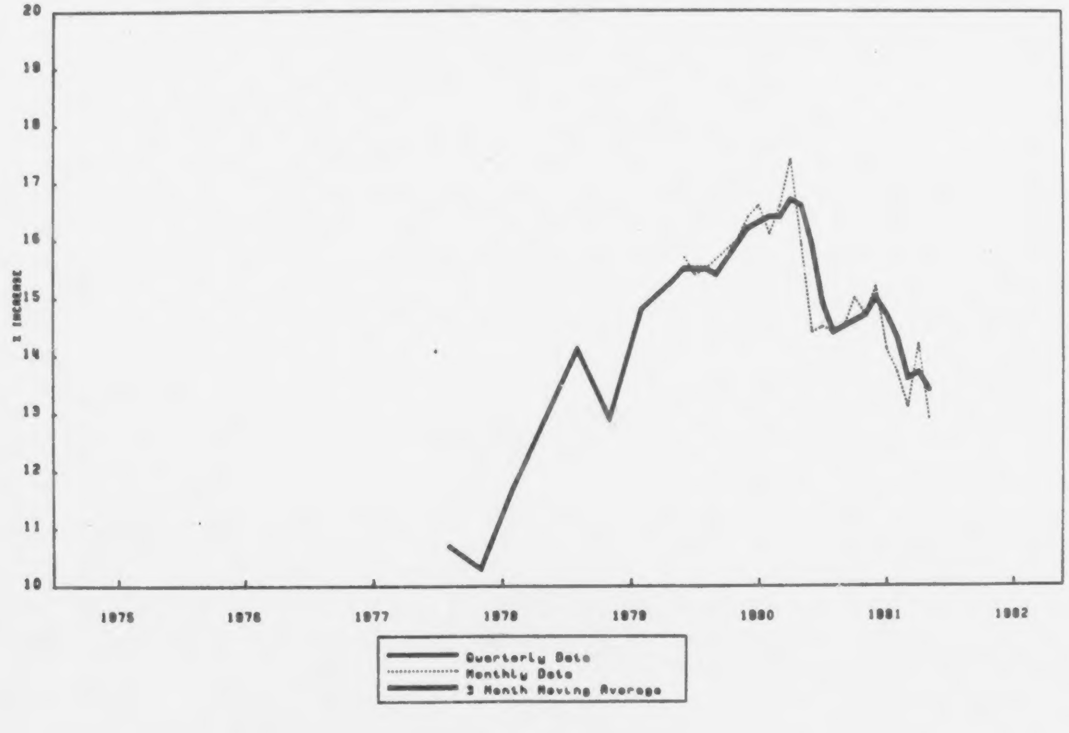

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
SAME OR DOWN	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%	4%	4%	5%
GONE UP BY:													
1-2%	1	1	3	2	2	3	2	2	2	3	2	4	2
3-4%	4	3	5	6	5	4	4	3	4	4	4	5	7
5%	5	6	7	8	7	11	7	9	7	8	7	6	8
6-9%	6	10	11	12	9	11	12	9	8	8	10	12	10
10-14%	27	25	22	20	24	23	27	26	31	32	29	26	31
15% or more	37	33	29	32	31	32	29	32	28	25	25	30	27
DK how much up	15	15	18	15	17	14	16	16	17	17	18	13	10
DK,NA	*	1	1	1	1	*	*	1	*	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9
VARIANCE	175	140	168	160	151	169	161	158	130	128	111	156	123
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

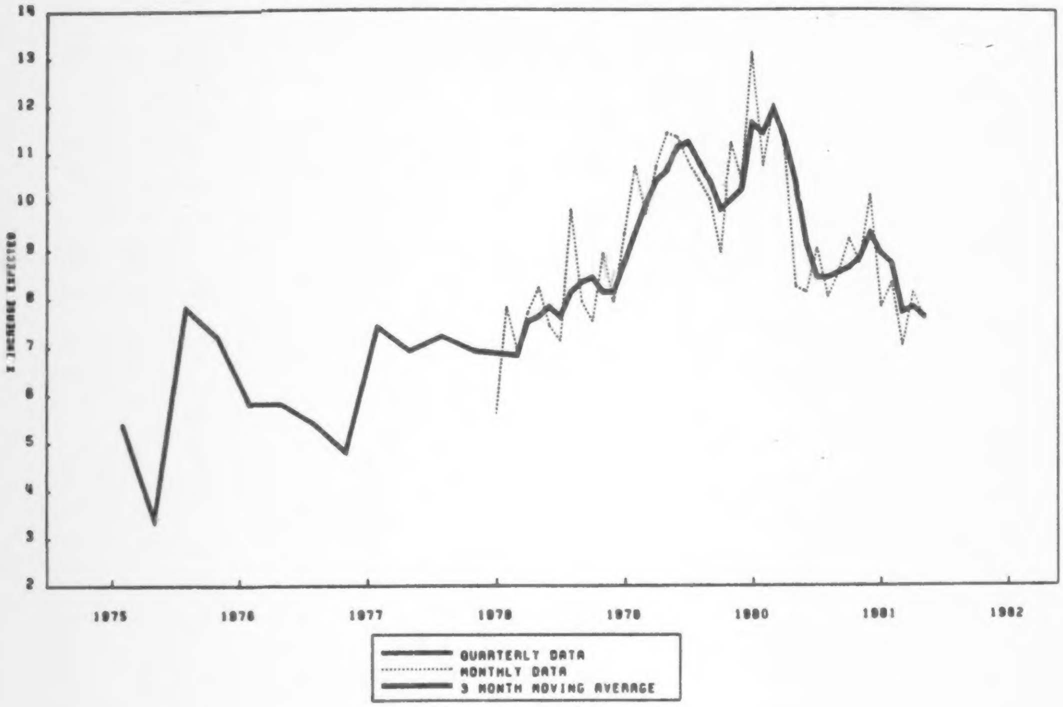

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

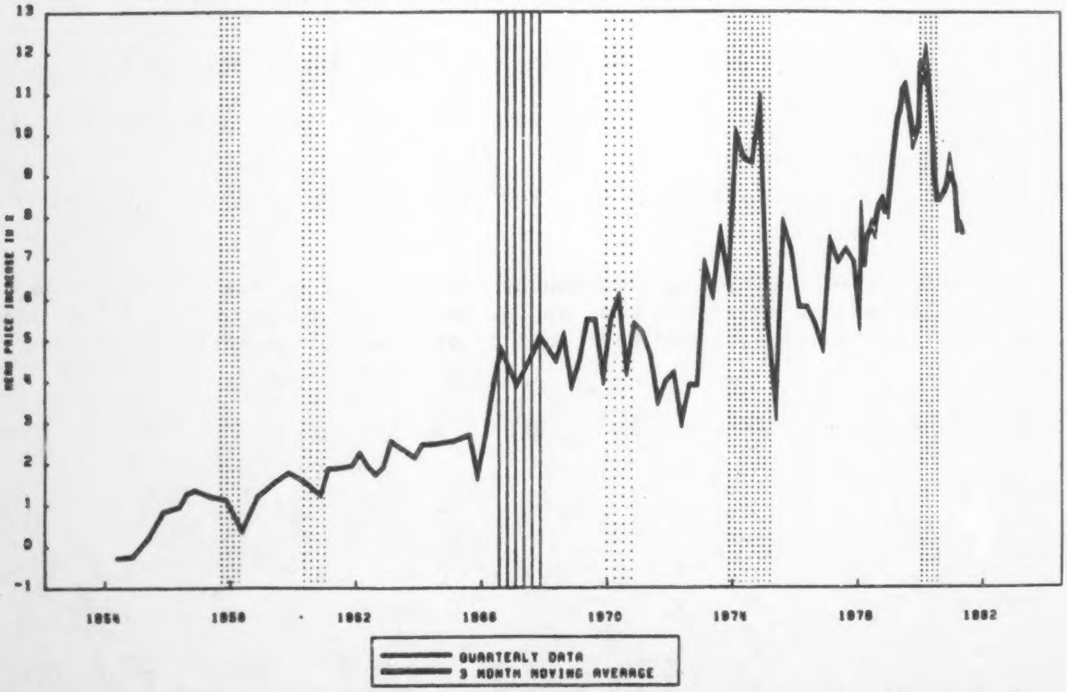

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
SAME OR DOWN	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%	26%	27%	25%
WILL GO UP BY:													
1-2%	1	3	3	6	5	3	3	3	3	5	2	4	2
3-4%	4	6	5	7	5	6	5	5	6	9	8	7	8
5%	9	7	8	11	11	10	8	9	7	9	11	9	10
6-9%	9	10	10	12	10	10	12	11	12	12	11	9	13
10-14%	17	20	21	24	23	24	20	25	28	23	20	20	22
15% or more	18	14	15	10	13	16	14	18	9	12	9	14	11
DK how much up	10	10	13	11	13	9	11	10	11	10	11	8	7
DK, NA	1	3	3	1	3	2	2	2	3	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6
VARIANCE	92	89	95	71	68	100	102	107	54	74	57	97	79
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

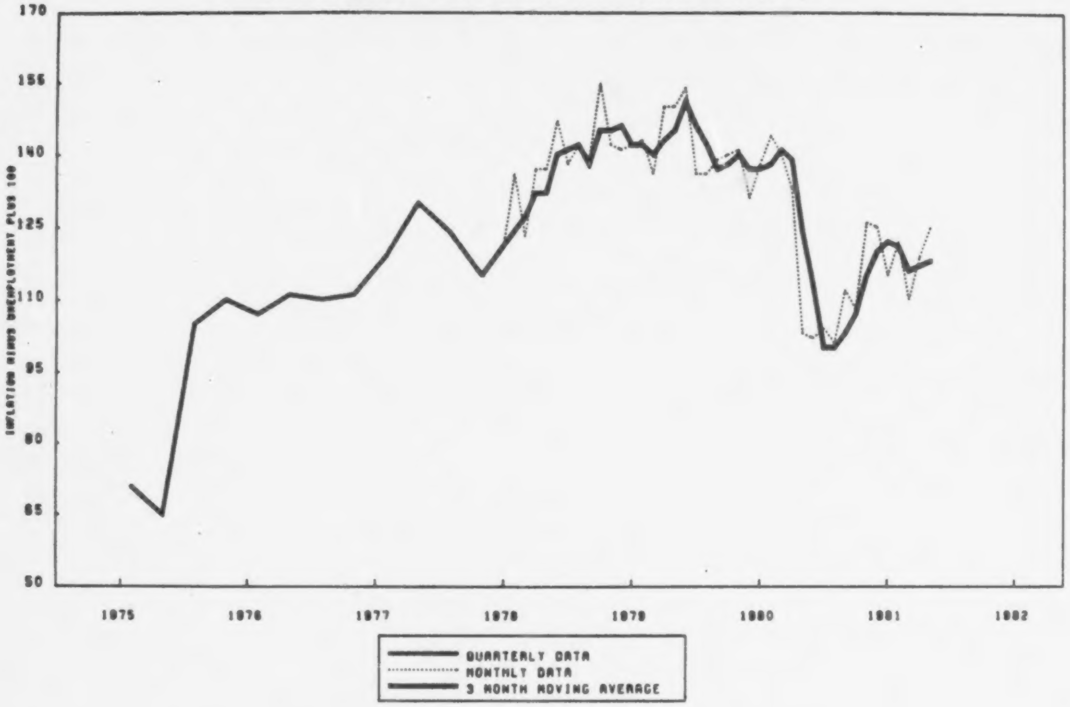

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

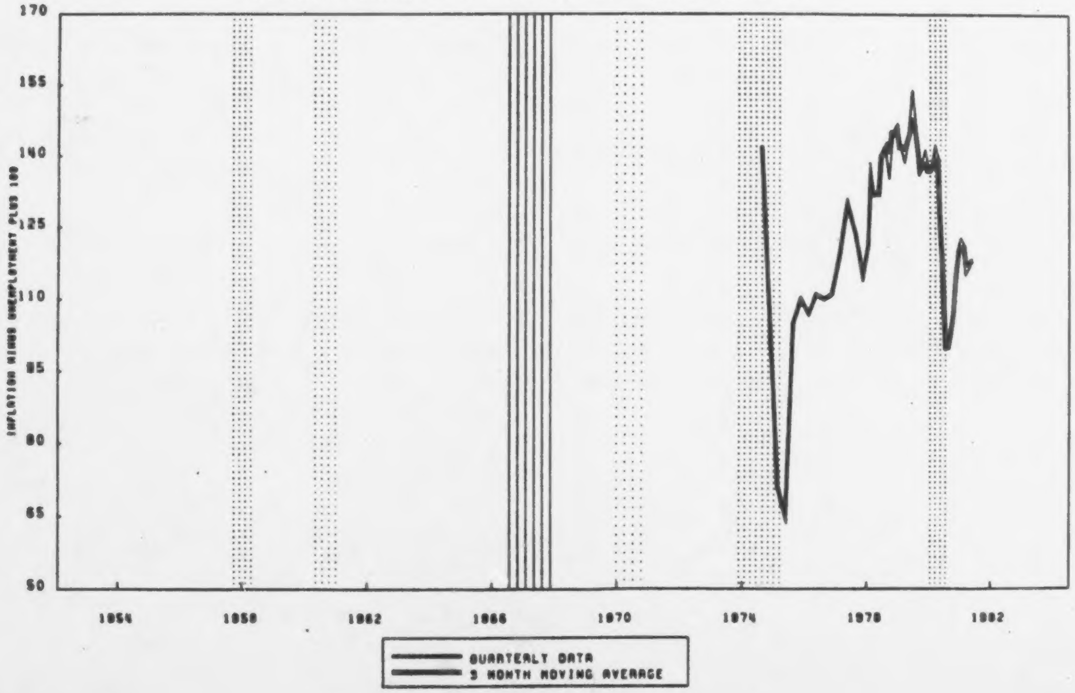

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
UNEMPLOYMENT	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%	39%	35%	33%
BOTH EQUALLY SERIOUS	16	11	11	10	9	11	11	9	14	8	11	8	8
INFLATION	43	45	41	44	50	48	57	57	49	56	49	54	58
DK,NA	1	1	3	3	3	1	1	2	3	2	1	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

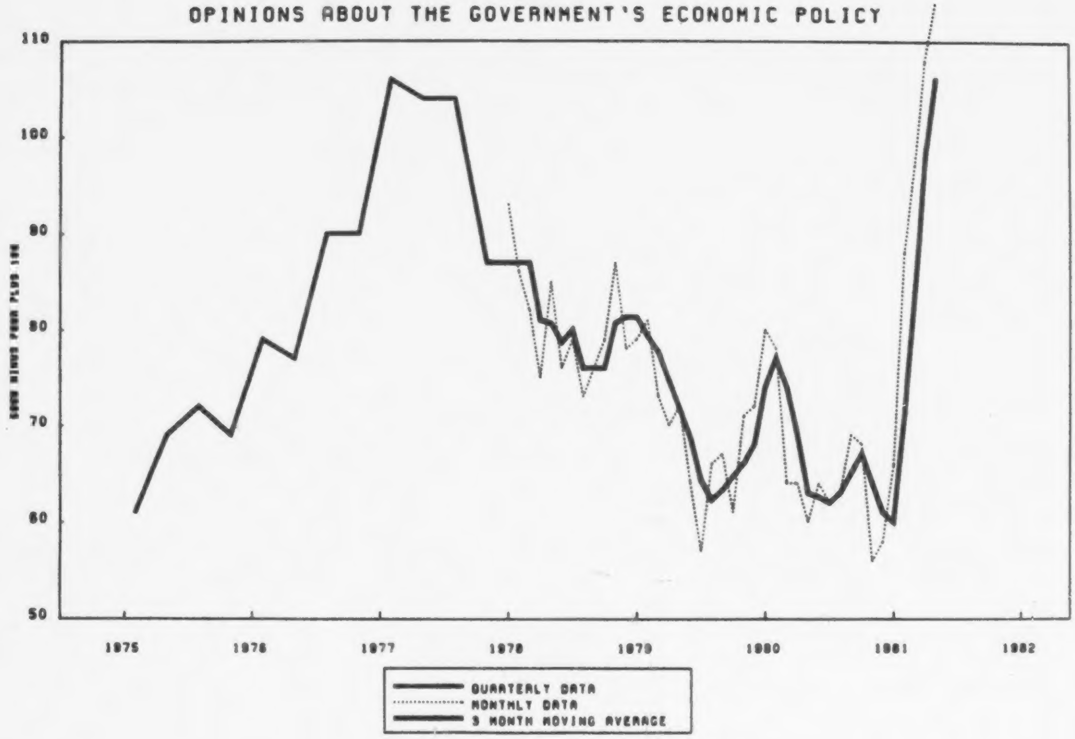

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

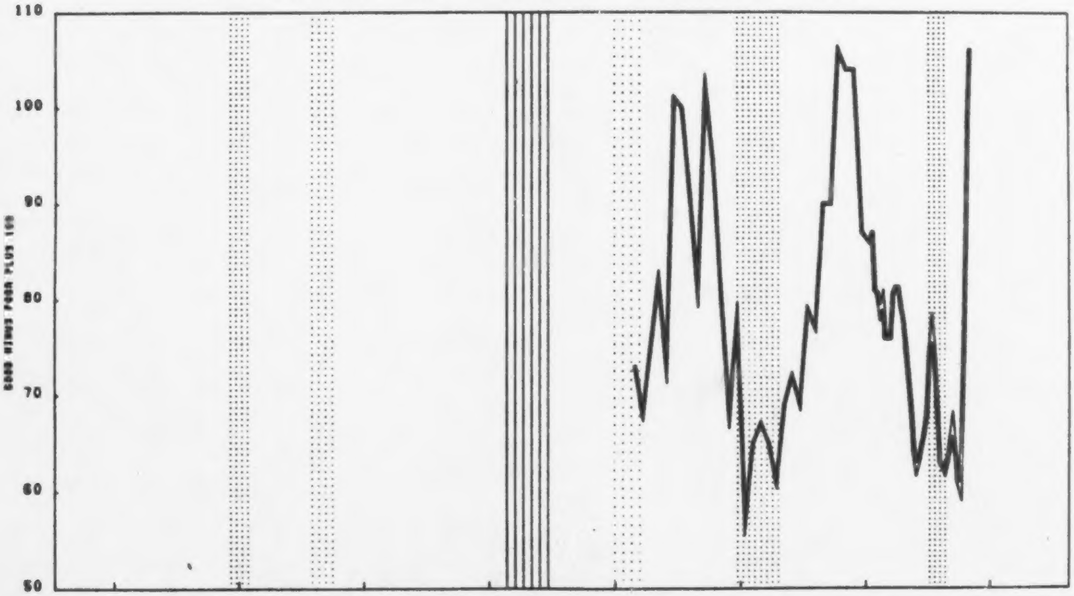

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
A GOOD JOB	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%	22%	28%	30%
ONLY FAIR	48	40	41	45	46	50	41	42	42	40	45	47	49
A POOR JOB	45	46	47	45	41	40	50	49	44	31	25	20	16
DK,NA	2	4	3	2	3	2	3	2	4	10	8	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASZS	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

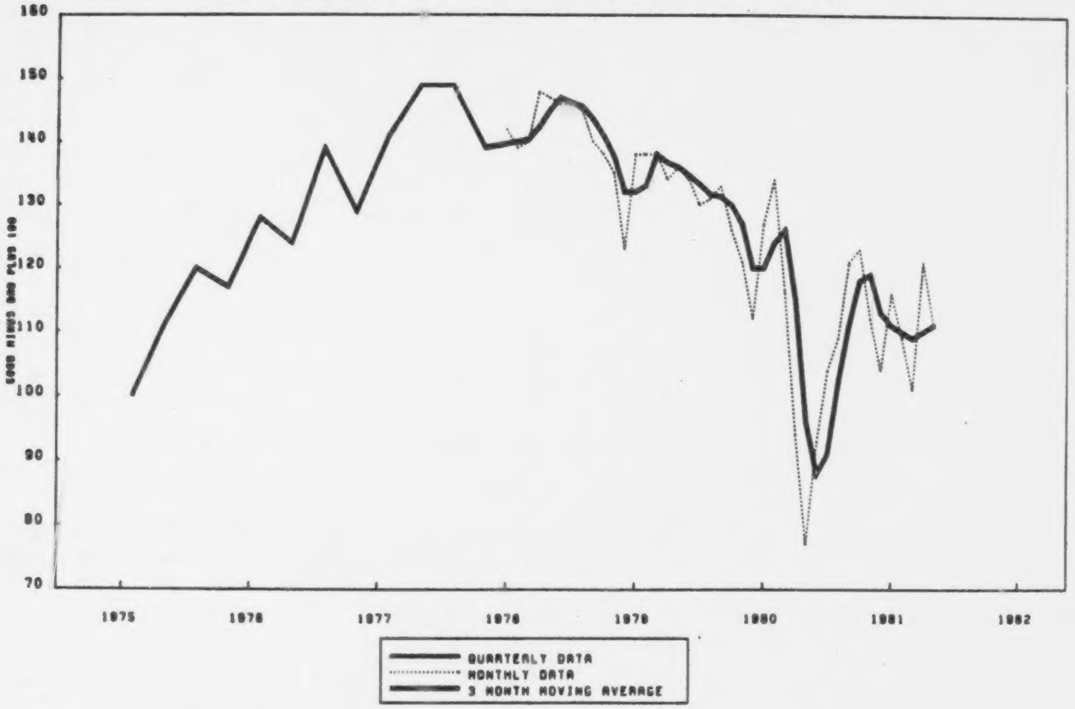

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

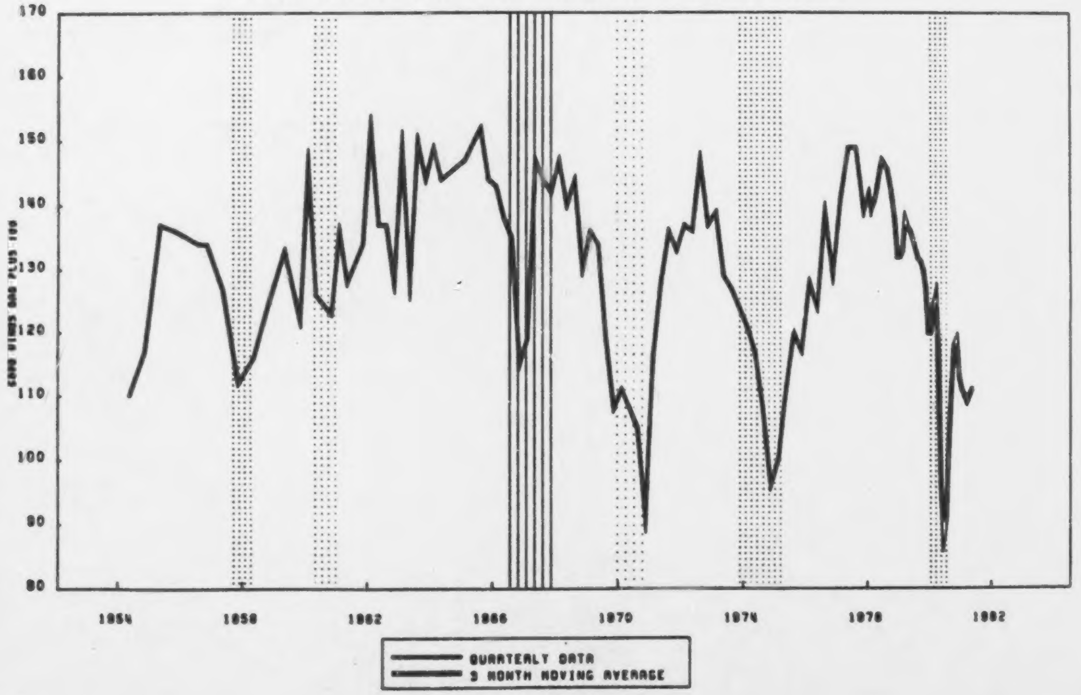

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%	43%	54%	50%
UNCERTAIN, DEPENDS	7	11	16	15	17	13	12	14	16	15	15	13	11
BAD TIME TO BUY	58	48	40	38	31	32	38	41	34	38	42	33	39
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%	22%	21%	16%
Prices won't come down; are going higher	23	26	22	27	31	30	31	24	28	24	23	31	30
Interest rates low; credit is easy	2	3	5	5	3	4	2	3	2	3	1	2	3
BAD TIME TO BUY:													
Prices are high	34	29	23	23	20	16	23	26	17	24	23	19	25
Interest rates are high; credit is tight	31	24	19	16	13	17	17	22	25	26	22	17	18
Lack of purchasing power	16	15	20	14	12	11	11	11	11	13	16	12	9

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

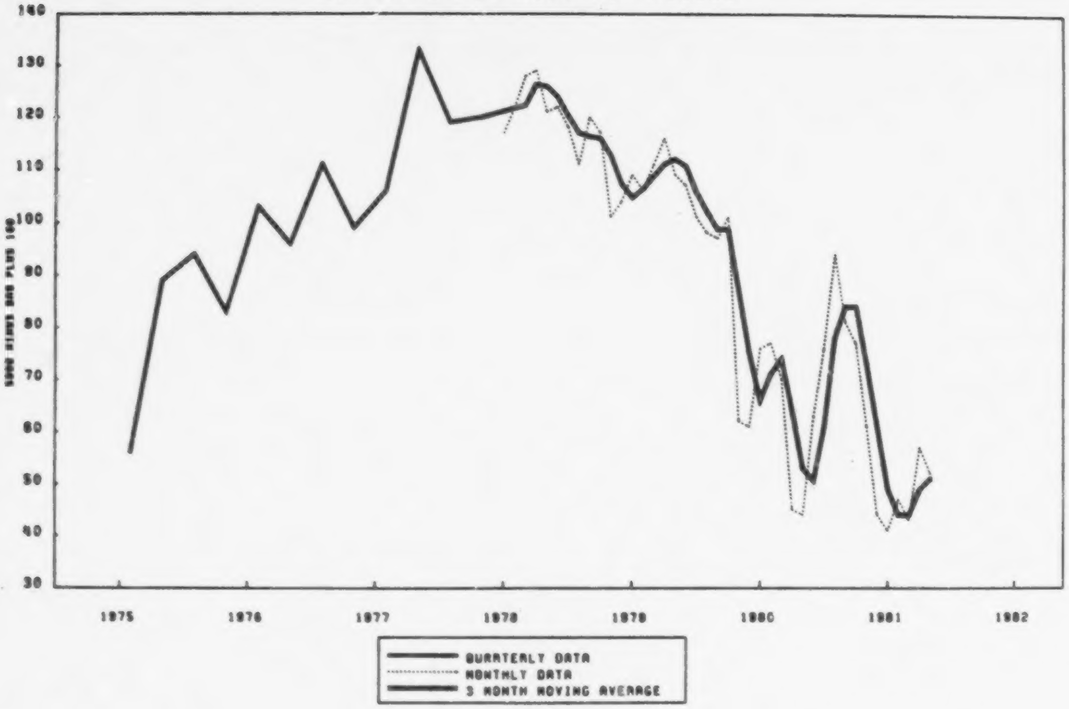

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

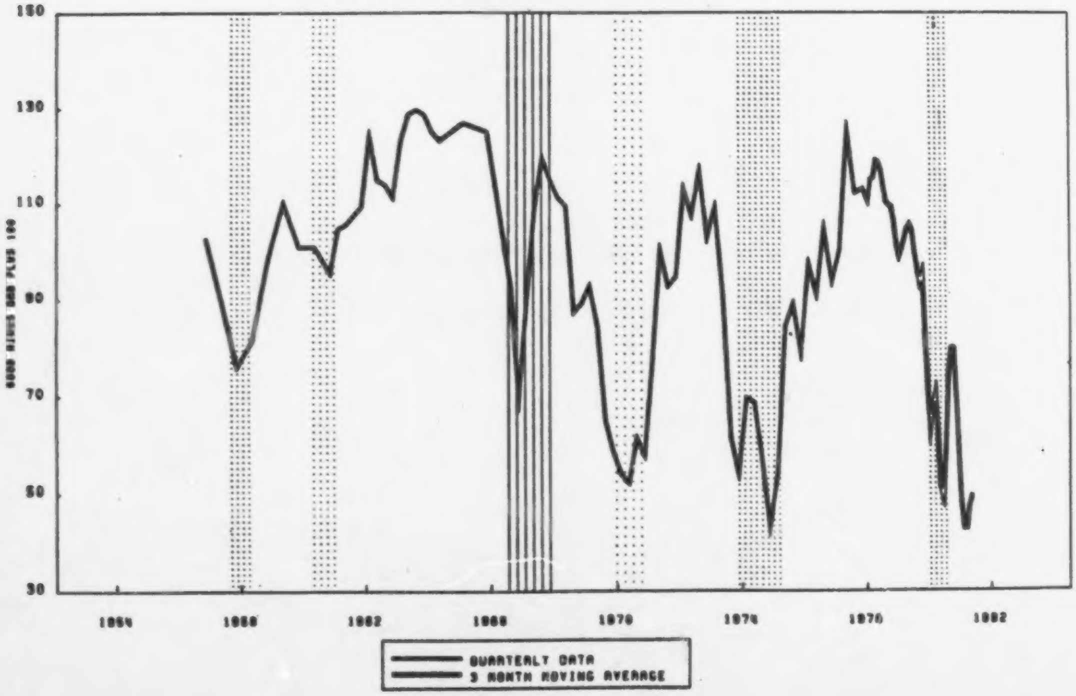

TABLE 28

BUYING CONDITIONS FOR HOUSES

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%	20%	26%	24%
UNCERTAIN, DEPENDS	8	5	8	6	5	5	5	6	5	5	3	5	4
BAD TIME TO BUY	74	66	58	50	57	59	67	75	77	74	77	69	72
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%	4%	5%	5%
Prices won't come down; are going higher	8	11	12	14	17	17	16	10	12	10	9	12	10
Interest rates low; credit is easy	6	16	23	28	22	16	10	6	4	7	5	9	7
Good investment	7	5	6	10	9	8	7	6	7	10	7	8	6
BAD TIME TO BUY:													
Prices are high	30	27	30	26	29	27	28	28	32	31	32	30	28
Interest rates are high; credit is tight	75	66	53	41	50	56	66	77	76	73	76	66	71
Lack of purchasing power	9	10	15	12	11	12	11	12	10	14	13	12	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

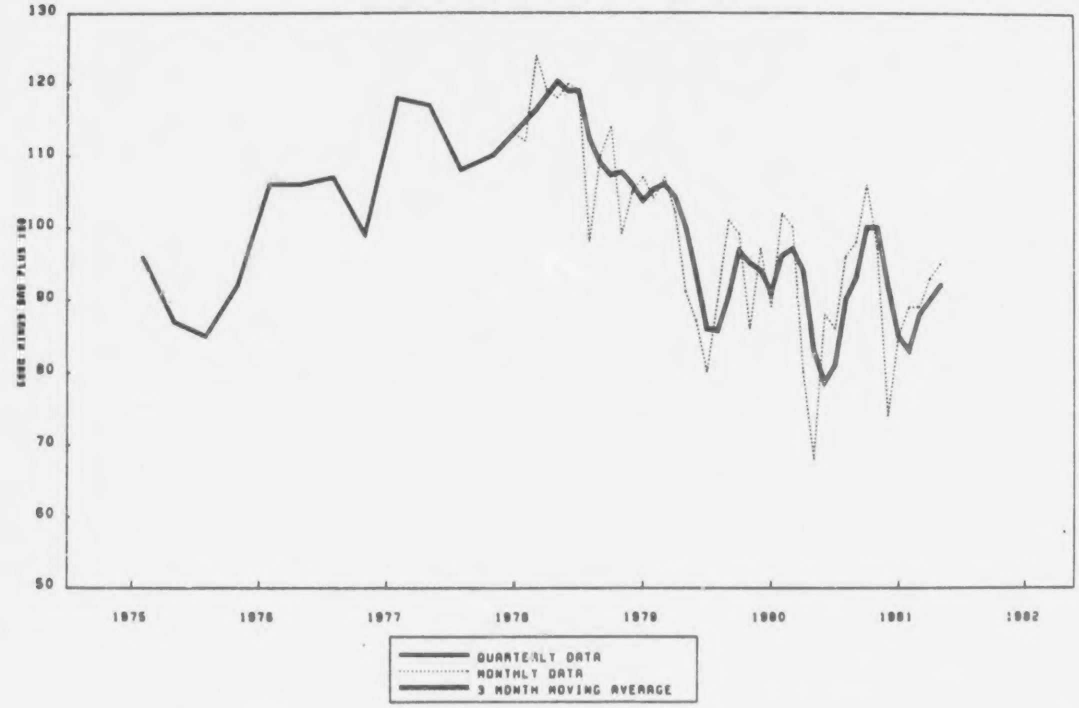

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

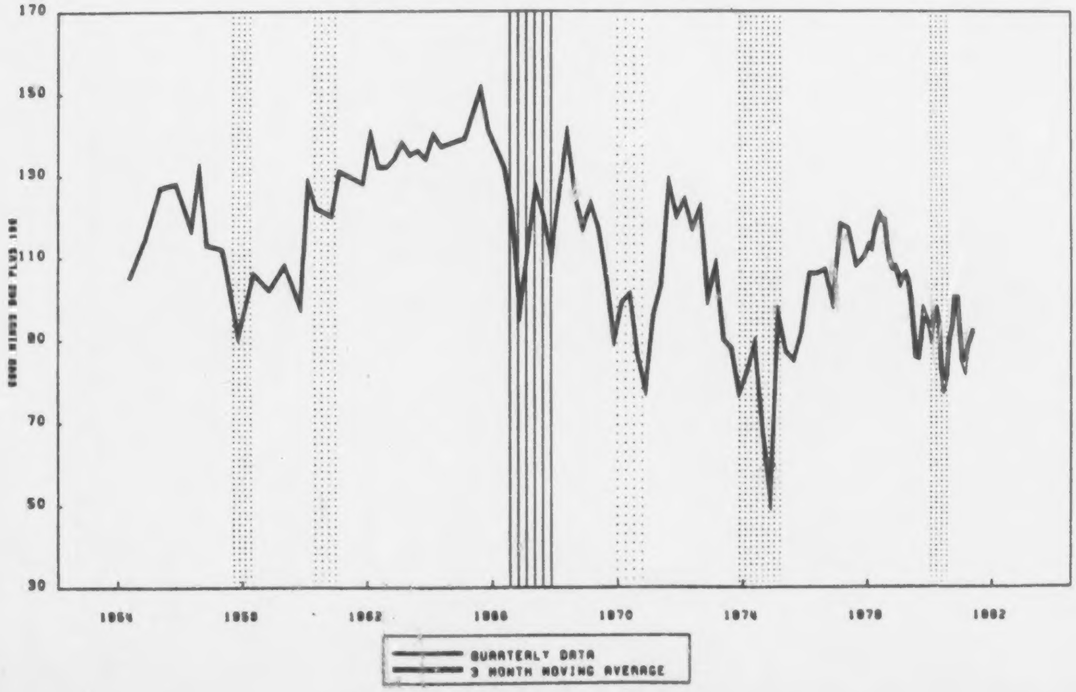

TABLE 30

BUYING CONDITIONS FOR CARS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%	39%	42%	44%
UNCERTAIN; DEPENDS	10	14	14	12	14	16	15	8	13	11	11	9	7
BAD TIME TO BUY	61	49	50	46	44	39	44	59	51	50	50	49	49
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%	30%	25%	23%
Prices won't come down; are going higher	8	9	13	12	19	17	16	12	13	12	10	19	15
Interest rates low; credit is easy	1	3	4	4	4	3	3	4	5	3	2	3	4
New fuel efficient models	6	5	3	7	9	12	7	5	4	4	6	4	5
BAD TIME TO BUY:													
Prices are high	30	24	27	27	31	23	28	31	33	31	34	31	33
Interest rates are high; credit is tight	29	22	11	11	10	14	17	29	28	27	21	22	17
Lack of purchasing power	7	6	9	9	6	8	7	9	7	7	10	8	6
Price of gas; shortages	15	9	6	5	5	4	4	5	4	8	6	5	3
Poor selection; quality	7	10	13	13	11	13	10	12	9	9	9	8	10

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
PROBABLY WILL BUY	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%	14%	15%	17%
CHANCES ARE EVEN	7	8	5	7	6	7	6	6	8	7	6	8	9
PROBABLY WILL NOT BUY	67	68	67	61	70	67	66	67	66	62	67	65	63
DK,NA	13	12	11	16	8	11	11	13	11	15	13	12	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	703	688	668	658	682	685	694	684	698	668	703	690	667

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%	20%	23%	26%
PURCHASE TYPE:													
Buy new	7	9	10	8	11	12	11	8	11	10	9	11	11
Buy used	9	7	11	12	9	7	9	9	8	10	9	10	12
Lease	1	1	1	1	1	2	*	1	1	1	1	1	1
DK,NA	3	3	*	2	1	1	3	2	3	2	1	1	2
PURCHASE TIMING:													
Next 3 months	2	1	5	3	1	3	4	2	3	1	1	5	5
Next 4-6 months	6	6	5	5	6	4	3	3	5	6	4	8	5
Next 7-9 months	5	5	3	4	2	7	6	5	6	7	5	5	7
10 months or more	3	5	4	4	4	4	4	5	4	3	5	2	3
DK,NA	4	3	5	7	9	4	6	5	5	6	5	3	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%	67%	65%	63%
PURCHASE TYPE:													
Would buy new	39	38	40	35	38	44	38	37	35	33	34	39	37
Would buy used	25	27	24	24	30	20	26	27	29	28	28	24	25
DK,NA	3	3	3	2	2	3	2	3	2	1	5	2	1
PURCHASE TIMING:													
Less than 2 years	7	6	4	6	5	5	6	7	6	5	6	9	6
2 years	17	21	20	18	23	20	23	20	17	23	23	19	22
3 years	10	11	10	8	12	15	11	12	12	9	9	9	10
4 years or more	19	20	21	21	18	15	15	18	19	16	19	22	15
Indefinite	4	3	4	4	4	3	5	3	5	3	3	3	4
DK,NA	10	7	8	4	8	9	6	7	7	6	7	3	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

U7475-2

May 29, 1981

MAY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONFIDENCE IN GOVERNMENT RAISES OPTIMISM

** In the May 1981 survey, the Index of Consumer Sentiment was 76.3, up 3.9 Index points from April, and nearly 25 points above the 51.7 recorded in May 1980 (the cyclical lowpoint).

** Among families with incomes of $25,000 or more the Index was 85.0 in May, up from 78.0 in April, and up nearly 32 Index points from the year-earlier reading. The May improvement was greatest among respondents of the Western region, where the Index was 82.2, while a decline of 5.8 Index points was recorded among residents of the Northeast region.

** Business expectations grew more optimistic in the May survey, but nonetheless remained on balance unfavorable. From May 1980 to May 1981, the proportion that reported worsening business conditions fell from 90 to 52 percent, and the proportion that expected bad times financially during the next 12 months fell from 82 to 49 percent.

** In the May survey, more respondents rated government economic policy as favorable than at any other time during the past decade. The current proposals to reduce federal taxes and spending were expected to improve consumers personal financial situation (41 percent), as well as the economy in general (56 percent). Among families who expected tax reductions, the median expected increase in take-home pay was $50. Nearly as many families planned to save (41 percent) as to spend (46 percent) the additional income. Approximately these same results were obtained in 1963, except at that time a greater share of the planned spending was for new purchases, whereas in 1981 most of the planned spending was aimed at restoring balance to inflation-ravaged budgets.

** Reports of past price increases fell in the May 1981 survey, which led to more favorable evaluations of their current financial situation. Seventy percent of all families expected nominal income increases during the next 12 months, and among those who expected increases, the median increase was 9.9%. Coupled with lower rates of expected inflation, real income expectations grew more favorable.

** Interest rates continue to dominate attitudes toward buying conditions for houses in May 1981. Unfavorable house buying attitudes increased to 72 percent from 69 percent in April. Whereas consumers' evaluations of overall market conditions for houses has remained at or near record low levels during the past year, evaluations of the household durable and automobile markets are significantly improved over year-ago levels.

* * *

The May 1981 survey indicates that consumer optimism has grown substantially, mainly due to the expected impact of Reagan's economic proposals. Although these proposals, if adopted, would reinforce and further spread these favorable expectations, greater improvement in the current financial situation of consumers is needed before a vigorous recovery in consumer sales can take place.

Improvement in Personal Finances

The May 1981 survey recorded a significant improvement in consumer evaluations of both their current and their expected personal financial situations. Among all families, 31 percent reported in May 1981 that they were better off financially than a year earlier, up from 25 percent in April, and 26 percent in May 1980. The proportion of families that reported being worse off financially fell to 36 percent in May 1981, from 46 percent in April, and 47 percent in May 1980. When asked how their financial situation had changed during the past year, consumers made more frequent favorable references to income changes: the proportion who reported income increases rose to 31 percent in May 1981, from 22 percent in April, while the proportion mentioning income declines fell from 17 to 14 percent. In addition, fewer consumers mentioned the adverse impact from inflation on family budgets in the May 1981 survey (34 percent) than one year earlier (41 percent).

Consumers have grown more optimistic about future changes in their financial situation, and by May 1981 twice as many expected improvement rather than deterioration in the year ahead. This stands in sharp contrast with the year earlier reading, when as many consumers expected deterioration as improvement. Among all families, the proportion that expected improved finances rose to 34 percent in May 1981, up from 30 percent in April, and 27 percent in May 1980. The proportion of families that reported expectations of a worsening financial situation fell to 16 percent in May 1981, down from 19 percent in April, and 27 percent in May 1980.

The improvement in personal financial expectations has been due to more favorable nominal income expectations, along with declines in the expected rate of inflation. Among all families, 36 percent reported that they expected their nominal family income to increase by 10% or more during the next year, up from 29 percent in April, and 30 percent in May 1980. As shown in the following table, the median income increase expected among all families was 6.4% in May 1981, up significantly from the 4.5-5.2% range recorded during the prior four years. The recent increase in the overall median was mainly due to an increase in the proportion of families that expected nominal income gains (from 63 percent in 1980 to 70 percent in 1981). Among families who expected income increases, the median expected increase was 9.9% in 1981, only marginally above the 9.7% recorded in 1980.

Because of the concurrent decline in price expectations, real income expectations have improved considerably. Among all families in the May 1981 survey

19 percent expected real income increases during the year ahead, up from 13 percent in April and 12 percent in May 1980. The proportion that expected a decline in real income fell to 38 percent in May 1981, down from 45 percent in April, and 51 percent in May 1980.

TABLE A

MEDIAN PERCENTAGE INCREASES EXPECTED IN NOMINAL FAMILY INCOME

	All Families	Families Who Expect Increase	
May Surveys	Median	Percent Total	Median Increase
1977	4.5%	63%	6.9%
1978	4.7	63	7.3
1979	5.0	61	9.2
1980	5.2	63	9.7
1981	6.4	70	9.9

Business Conditions Expected to Improve

The mix of news items heard of recent changes in business conditions has become more favorable during the past several months, although it still remains on balance negative. In May 1981, news of unfavorable developments exceeded favorable changes by a margin of 45 to 31 percent; this stands in sharp contrast to the overwhelmingly negative margin of 97 to 10 percent recorded in May 1980. In comparison with last year, many fewer respondents reported news of increasing unemployment (14 percent versus 40 percent). In the May 1981 survey, overall evaluations of current business conditions while by no means optimistic, stood in sharp constast to the widespread pessimism recorded at this time last year. In May 1981, 30 percent of all families reported that business conditions had improved during the past year, up from 24 percent in April, and just 6 percent in May 1980. The proportion reporting that current business conditions had worsened during the past year stood at 52 percent in May 1981, down from 57 percent in April, and 90 percent in May 1980.

The outlook for business conditions during the year ahead remained at the much improved levels first established in late 1980. Among all families, 36 percent expected improved business conditions during the year ahead, up from 21 percent in May 1980. The proportion that expected worsening business conditions fell to

19 percent in May 1981 from 39 percent in May 1980. The proportion that reported past and expected declines in business conditions fell to 12 percent in May 1981, just one-third of the 36 percent recorded a year earlier. Similarly the proportion that expected cumulative improvements in business conditions rose to 14 percent in May 1981, up from just 1 percent in May 1980.

Good times financially in the economy as a whole during the next twelve months were expected by 41 percent of all families in May 1981, up from 36 percent in April, and just 13 percent in May 1980. The proportion that expected bad times financially fell to 49 percent in May 1981, from 53 percent in April, and 82 percent in May 1980. The outlook for long-term business conditions also improved, with 33 percent of all families expecting good times financially during the next five years in the economy as a whole, up from 30 percent in April, and 15 percent in May 1980.

Growing Confidence in Economic Policies

When asked why they expected business conditions to improve or worsen, 25 percent of all respondents spontaneously and favorably referred to the expected impact from Reagan's economic proposals. Although down somewhat from the 31 percent recorded in April 1981, these favorable references to government economic policies remain the dominant factor behind the improved business expectations.

In the May 1981 survey, overall confidence in government economic policy to combat inflation and unemployment reached its highest level in more than a decade. Among all families, 30 percent favorably rated current government economic policy, up from 28 percent in April, and just 5 percent in May 1980. Unfavorable evaluations of government economic policy fell to 16 percent in May 1981, from 20 percent in April, and 45 percent in May 1980. Since 1970, when this specific question wording on confidence in government economic policy was first used, no survey recorded more than 26 percent which favorably rated government economic policy prior to the Reagan administration.

In the May 1981 survey, 50 percent of all families expected Congress to pass into law reductions in personal income taxes, largely unchanged from the 49 percent recorded in April 1981 (see Table B). The special questions concerning Reagan's economic proposals highlighted in the April report, were also included in the May survey. A comparison of responses in both the April and May surveys found little month-to-month variation. Tables C-F reproduces much of this earlier analysis for the combined April-May 1981 surveys. In the following paragraphs, this analysis is reviewed.

Respondents were asked what impact they expected from the proposed reductions in federal spending and taxes on both their own financial situation as well as on business conditions in general. Among all families, 41 percent expected their personal financial situations to improve, and 56 percent expected business conditions to improve if the current economic proposals were adopted. Very few respondents expected an unfavorable change in either their personal financial situations (5 percent) or in business conditions (7 percent) if these proposals were adopted. Rather, respondents more frequently thought passage of these proposals would not make much difference to their personal financial situations (50 percent) or business conditions (30 percent). It is interesting to note that respondents who expected Congress to actually pass tax reductions viewed the impact of these proposals more favorably on both their personal finances and general business conditions (Table C).

Respondents were also asked about the influence these proposals might have on the rate of inflation. Among all families, 45 percent reported that they expected these proposals to lower the rate of inflation (Table D). Also, the passage of these proposals was more frequently expected to leave the rate of inflation unaffected (36 percent), rather than increase the rate of inflation (11 percent). Among those who expected these proposals to lower the rate of inflation, approximately half also thought that unemployment would also be lower, while the other half expected the lower inflation rates to be accompanied by the same or even higher levels of unemployment. Interestingly, families who actually expected passage of tax reductions more frequently expected lower inflation rates (54 percent) than those who did not expect passage (38 percent), with nearly the entire increase occurring among those who expected both inflation and unemployment to be lower.

Respondents were asked to estimate the increase they expected in their take-home pay if the reduction in personal income taxes is adopted, and how they planned to use the money. Among all families, 46 percent expected their monthly take-home pay to increase, while 40 percent expected no change (Table E). Among those who expected an increase, the median expected increase in monthly take-home pay was $50. When asked about their planned use of this money, 25 percent had spending plans, 21 percent intended to repay debt, and 41 percent said they intended to save or invest the money. Most of the planned expenditures were to repair inflation ravaged budgets, rather than to make new purchases. Interestingly, those who did not expect the enactment of the tax cuts were more likely to report that they would use the money for debt repayment.

A comparison with prior studies conducted before the 1964 tax cut indicates no difference in consumer reactions to the potential tax cuts (Table F). Approximately the same proportions reported savings plans in both 1963 and 1981. Spending plans, however, differed significantly in their composition--most of those with spending plans in 1963 reported intentions to make new purchases, while spending plans in 1981 were to help meet current expenses and repay bills, rather than for new purchases. This may reflect the harsh impact inflation has had in recent years.

Price Expectations Remain at Lowered Levels

The May 1981 survey recorded a significant decline in perceptions of current rates of inflation compared with a year earlier. In the May 1981 survey, consumers reported an average increase of 12.9% in the prices of the things they bought during the past year, a significant decline from the 15.9% recorded in May 1980. The proportion who thought the rate of inflation during the past year was 15% or higher fell to 27 percent in May 1981, from 37 percent in May 1980.

The rate of inflation expected during the year ahead has remained in the 7-8% range since early 1981. In the May 1981 survey, consumers expected prices to increase on average by 7.6%, down from 8.1% in April, and 8.2% in May 1980. From May-December 1980, price expectations generally remain in the 8-9% range, falling to the 7-8% range in early 1981.

Unemployment expectations have remained largely unchanged during the past several months, at much improved levels compared with last year. In May 1981, 36 percent expected increased unemployment in the year ahead, just half the level recorded in May 1980 (72 percent). Twice as many consumers expected unemployment to remain at the same high level in the year ahead in May 1981 (46 percent) than in May 1980 (23 percent). In contrast, many fewer consumers expected declines in unemployment in May 1981 (17 percent), although more frequently than a year earlier (5 percent).

Higher interest rates were more frequently expected in the May 1981 survey (41 percent) than either one month (31 percent), or one year earlier (26 percent). The proportion that expected interest rate declines during the year ahead fell to 26 percent in May 1981, from 38 percent in April, and 52 percent in May 1980.

High Interest Rates Stifle Buying

Attitudes toward buying conditions for large household durables were somewhat less favorable in the May 1981 survey than one month earlier, but significantly more favorable than the year earlier readings. Among all families, 50 percent favorably rated buying conditions for large durables, down somewhat from 54 percent in April, but significantly above the 35 percent recorded in May 1980. Similarly, unfavorable evaluations stood at 39 percent in May 1981, compared with 33 percent in April, and 58 percent in May 1980. The recent small unfavorable shift in attitudes was due to the changing influence of prices: fewer respondents reported the availability of good buys at low prices, and more frequently reported postponement due to high prices. The overall improvement recorded during the past year was due to fewer mentions of postponement due to high interest rates, falling to 18 percent in May 1981, from 31 percent in May 1980.

Attitudes toward market conditions for automobiles posted a marginal gain in the May 1981 survey, and remained significantly more favorable than year earlier readings. Among all families, 44 percent rated buying conditions for autos as favorable in the May 1981 survey, just above the 42 percent recorded in April, and 29 percent in May 1980. The proportion holding unfavorable attitudes toward buying conditions for autos remained unchanged in the May survey from one month earlier at 49 percent, significantly below the 61 percent recorded in May 1980. The proportion that mentioned high interest rates with regard to the automobile market fell to 17 percent in May 1981, from 22 percent in April, and 29 percent in May 1980.

Attitudes toward buying conditions for houses declined somewhat in the May 1981 survey from one month earlier, but unlike market conditions for household durables and autos, house buying attitudes have remained near the record low levels first recorded one year earlier. Among all families, 72 percent rated buying conditions for houses as unfavorable in May 1981, up from 69 percent in April, and just below the 74 percent recorded in May 1980. Whereas the negative impact of high interest rates has declined with regard to buying conditions for durables and autos, high interest rates continue to be mentioned nearly as frequently in May 1981 (71 percent) as one year earlier (75 percent).

* * *

The May 1981 survey contained 667 interviews, conducted between April 20 and May 20, 1981.

TABLE B

EXPECTED PASSAGE OF TAX REDUCTIONS

Expect Tax Reduction?	Oct. 1980	Nov. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981
Yes	25%	46%	41%	58%	58%	49%	50%
No	64	42	43	29	32	40	41
Uncertain; don't know	10	11	15	11	8	8	6
Not ascertained	1	1	1	2	2	3	4
Total	100%	100%	100%	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

TABLE C

EXPECTED IMPACT OF TAX AND SPENDING REDUCTIONS

(April-May 1981)

	Personal Finances			Business Conditions		
		Expect Tax Cut?			Expect Tax Cut?	
Change Expected IF Proposals Adopted	All Families	Yes	No	All Families	Yes	No
Better off	41%	48%	36%	56%	67%	49%
Not much difference	50	46	56	30	24	39
Worse off	5	3	6	7	5	9
Don't know	2	3	1	4	3	2
Not ascertained	2	*	1	3	1	1
Total	100%	100%	100%	100%	100%	100%
Cases	1224	631	483	1224	631	483

The questions were: "If the current proposals to reduce both taxes and government spending were adopted, do you think you (and your family living there) would be better off financially, worse off financially, or wouldn't it make much difference? AND "If these proposals (to reduce both taxes and government spending) are adopted, do you expect that business conditions in the country as a whole would be better or worse than they are at present, or wouldn't it make much difference?"

TABLE D

EXPECTED IMPACT ON INFLATION FROM TAX AND SPENDING REDUCTIONS

Change Expected IF Proposals Adopted	April-May 1981 All Families	Expect Tax Cut? Yes	No
Inflation rate lower	45%	54%	38%
Both inflation & unemployment lower	24	32	17
Only inflation rate lower	21	22	21
Not much difference	36	34	42
Inflation rate higher	11	8	15
Don't know	5	4	4
Not ascertained	3	*	1
Total	100%	100%	100%
Expected Rate of Inflation if Reductions Adopted			
Lower	7.4	6.6	8.8
No difference	8.3	7.6	8.2
Higher	11.1	6.1	13.1

The questions were: "If these proposals (to reduce both taxes and government spending) were adopted, would you expect that the rate of inflation would be lower or higher than it is at present, or wouldn't it make much difference?" IF LOWER: "Do you think that both inflation and unemployment would be lower if these proposals were adopted, or would these proposals only help reduce inflation?" AND "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" IF GO UP OR GO DOWN: "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

TABLE E

EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

	April-May 1981		
		Expect Tax Cut?	
Expect Take-home Pay to...	All Families	Yes	No
Increase	46%	51%	44%
Stay the same	40	38	45
Decrease	2	1	2
Does not pay taxes	6	6	6
Don't know	2	2	2
Not ascertained	4	2	1
Total	100%	100%	100%
Cases	1224	631	483
Expected Increase in Monthly Take-home Pay			
Median	$50	$45	$50
Mean	80	78	83
Planned Use of Increase in Take-home Pay			
Spend	25%	29%	23%
New purchases	8	9	8
Current expenses	17	20	15
Repay debt	21	16	28
Save, invest	41	45	40
Both spend and save	4	5	5
Don't know, not ascertained	9	5	4
Total	100%	100%	100%
Cases	1224	631	483

The questions were: "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?"

"What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

TABLE F

COMPARISON OF EXPECTED USE OF REDUCTION IN TAXES

(April-May 1981)

	1963	1981
Spend	31%	25%
Repay debt	12	21
Save, invest	44	41
Both spend and save	9	4
Don't know, NA	4	9
Total	100%	100%

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TABLES AND CHARTS

JUNE 1981

The June 1981 survey is the 153rd in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 2 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

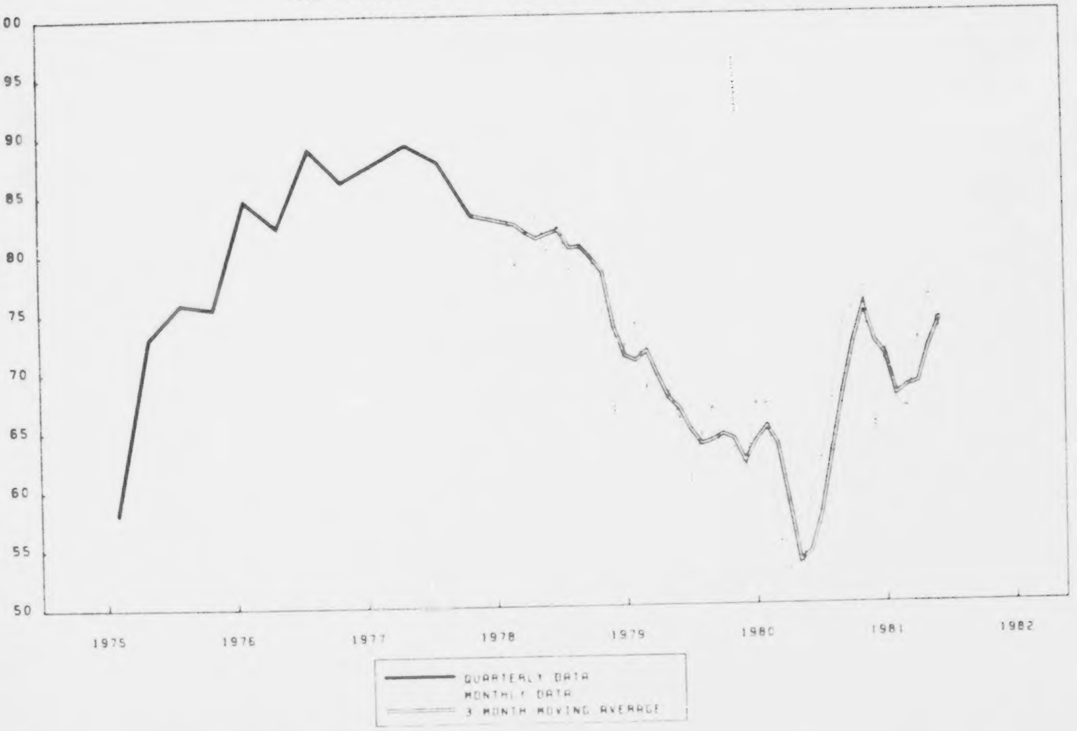

CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT

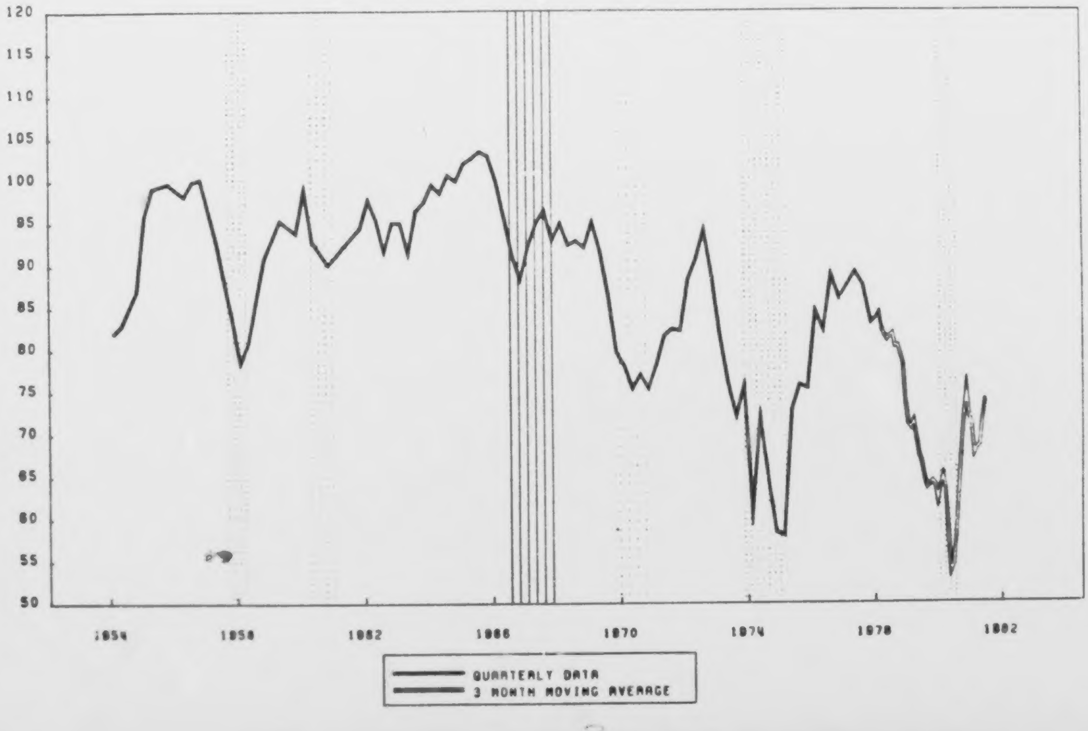

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0
June	1981	73.1	81.2	82.9

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

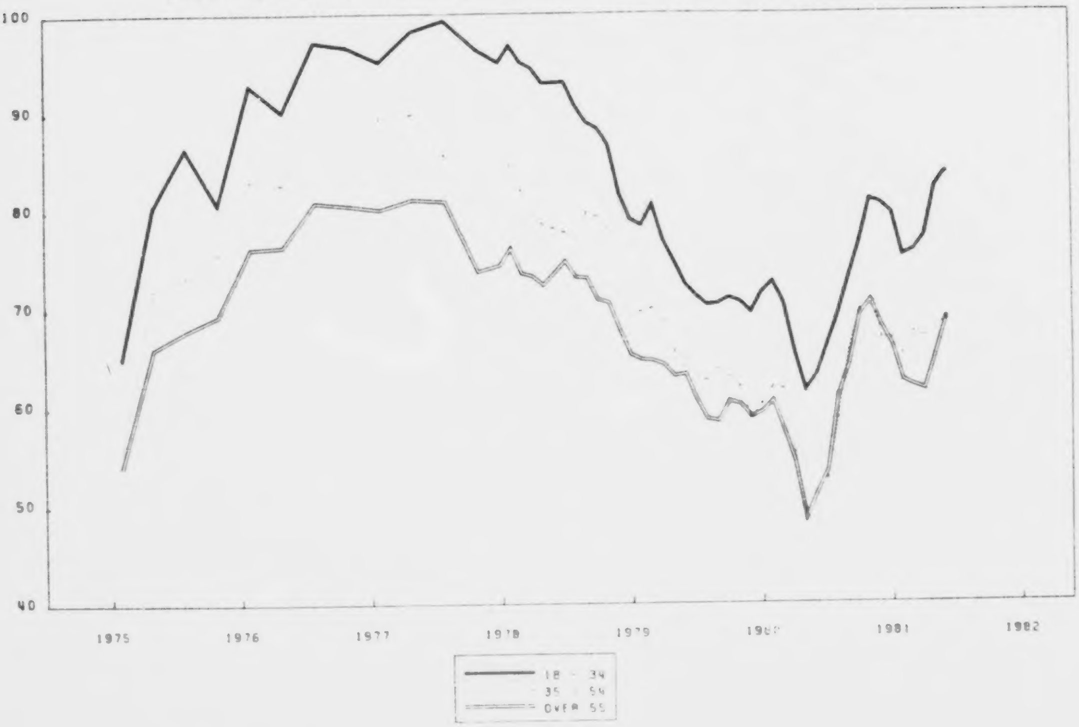

CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

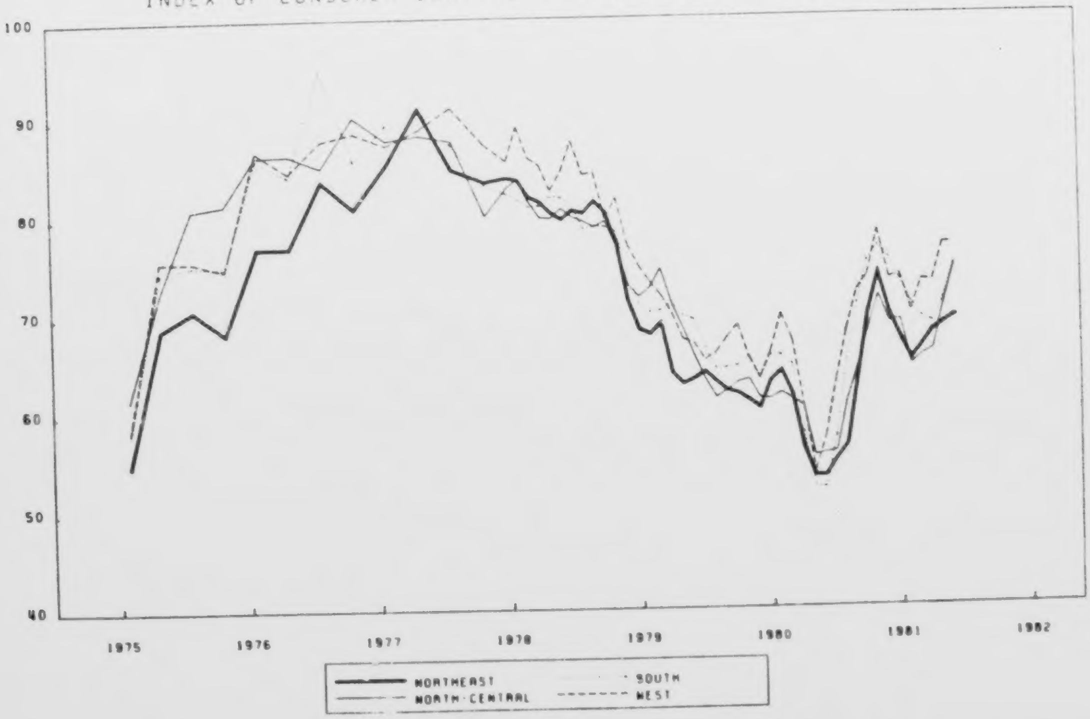

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

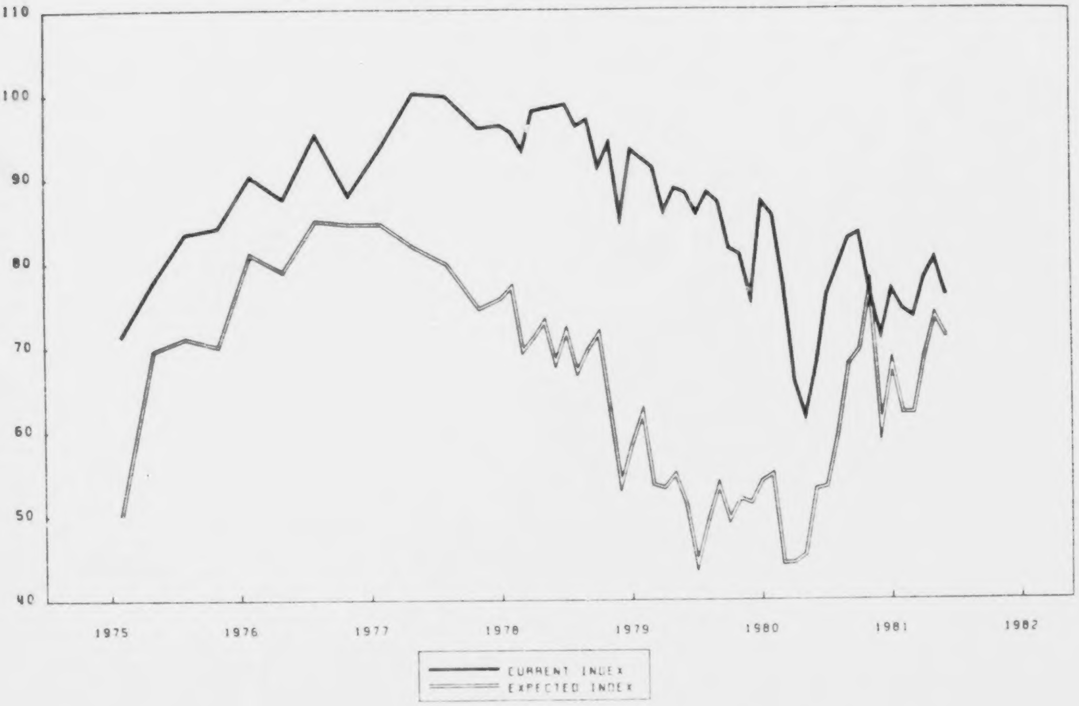

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

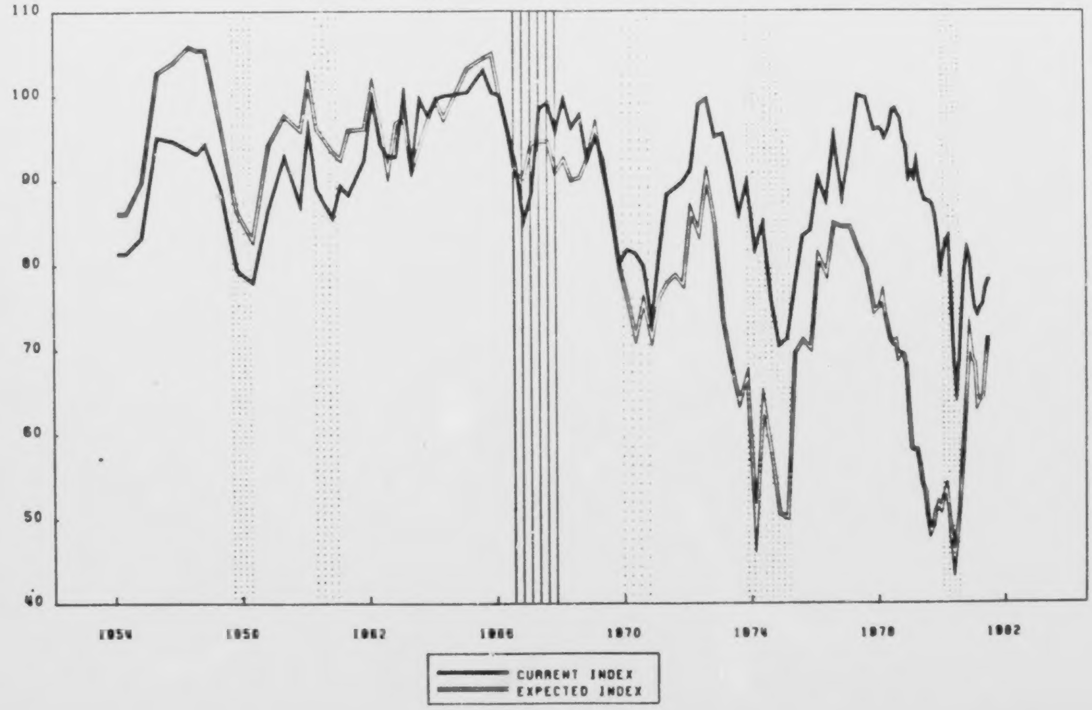

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions				
		Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
June	1978	107	102	97	71	146	98.4	68.1
July	1978	108	111	105	69	146	98.7	72.0
August	1978	101	112	82	70	145	96.1	67.0
September	1978	109	109	96	71	140	96.9	69.8
October	1978	96	104	103	77	138	91.2	71.7
November	1978	106	106	74	67	135	94.1	62.8
December	1978	95	96	61	53	123	85.2	53.8
January	1979	101	99	72	58	139	93.3	58.4
February	1979	98	98	75	71	138	92.2	62.2
March	1979	96	99	57	53	138	91.2	53.7
April	1979	85	90	63	55	134	85.9	53.3
May	1979	91	95	58	62	136	88.7	54.9
June	1979	92	91	54	55	134	88.2	51.4
July	1979	90	92	39	40	130	85.7	44.2
August	1979	95	98	46	48	131	88.2	49.3
September	1979	90	98	60	51	133	87.1	53.6
October	1979	83	96	48	49	126	81.6	49.5
November	1979	86	97	52	54	120	80.9	52.0
December	1979	83	101	50	50	110	75.8	51.5
January	1980	96	106	58	47	127	87.1	54.1
February	1980	85	99	55	60	134	85.5	54.9
March	1980	76	92	38	41	116	75.3	44.3
April	1980	73	94	32	45	94	65.8	44.4
May	1980	79	100	31	44	77	61.7	45.3
June	1980	78	101	43	63	93	67.4	53.0
July	1980	90	105	45	58	104	76.1	53.4
August	1980	93	111	63	60	109	79.4	59.6
September	1980	91	117	83	69	121	82.7	67.9
October	1980	90	108	84	83	123	83.4	69.6
November	1980	83	118	94	93	112	76.4	76.9
December	1980	77	100	64	73	104	71.2	60.2
January	1981	80	109	78	81	116	76.7	67.9
February	1981	80	106	64	73	109	74.4	62.1
March	1981	86	104	68	72	101	73.5	62.1
April	1981	79	111	83	78	121	78.1	68.8
May	1981	95	118	92	81	111	80.4	73.6
June	1981	89	113	91	78	104	76.1	71.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

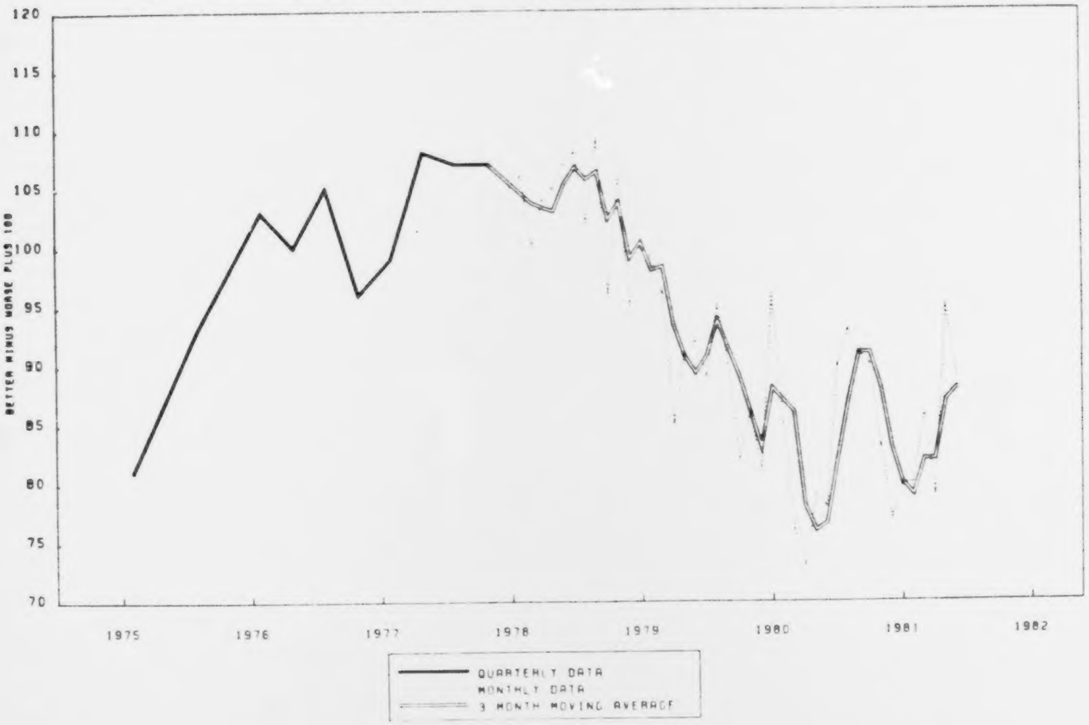

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

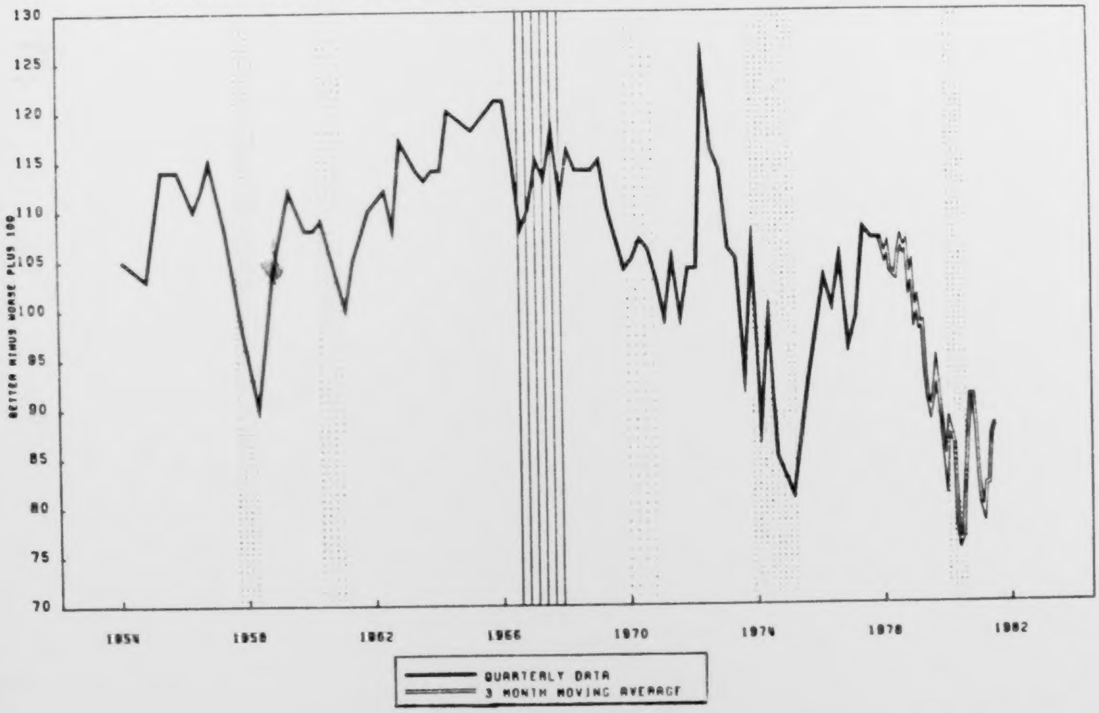

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
BETTER OFF	25%	30%	33%	31%	30%	28%	25%	25%	27%	29%	25%	31%	29%
SAME	26	29	26	27	30	26	26	30	26	28	28	32	31
WORSE OFF	47	40	40	40	40	45	48	45	47	43	46	36	40
DK, NA	2	1	1	2	*	1	1	*	*	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

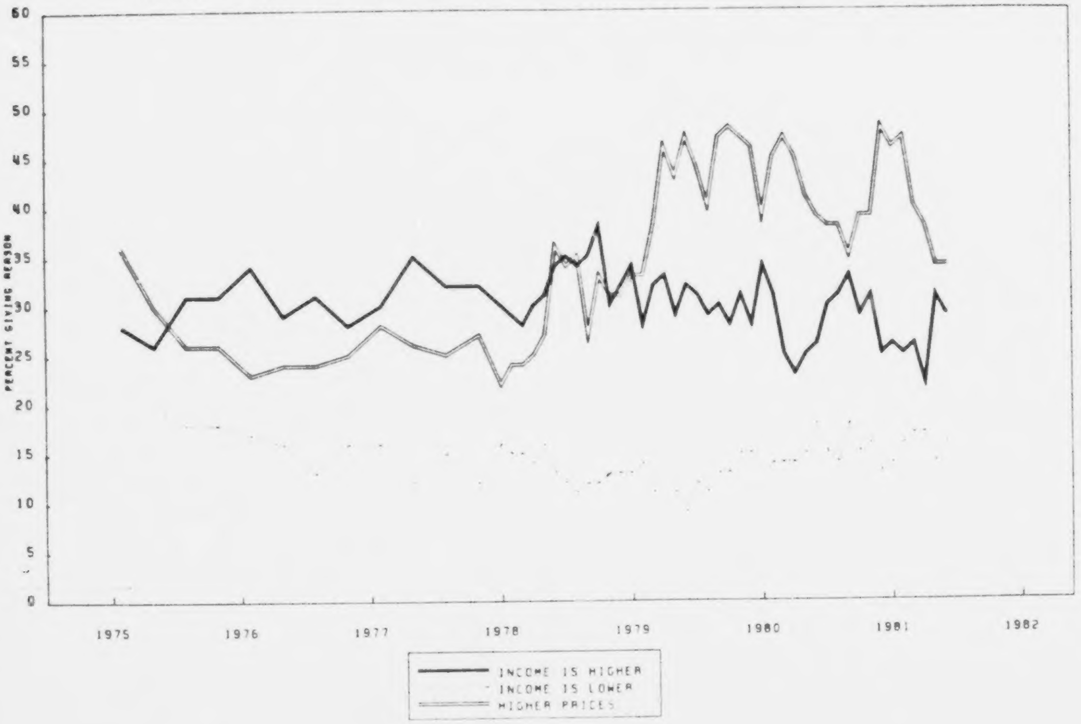

CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

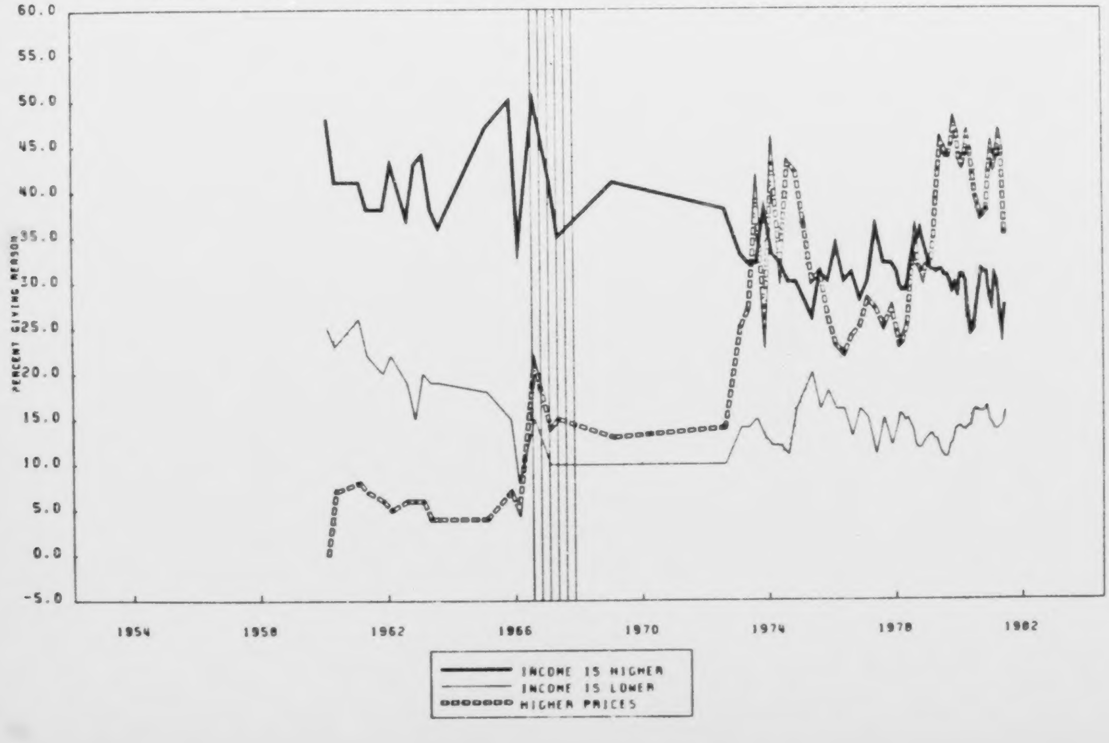

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	26%	30%	31%	33%	29%	31%	25%	26%	25%	26%	22%	31%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	15	14	18	15	16	13	14	16	17	17	14	16
Higher prices	39	38	38	35	39	39	48	46	47	40	38	34	34

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

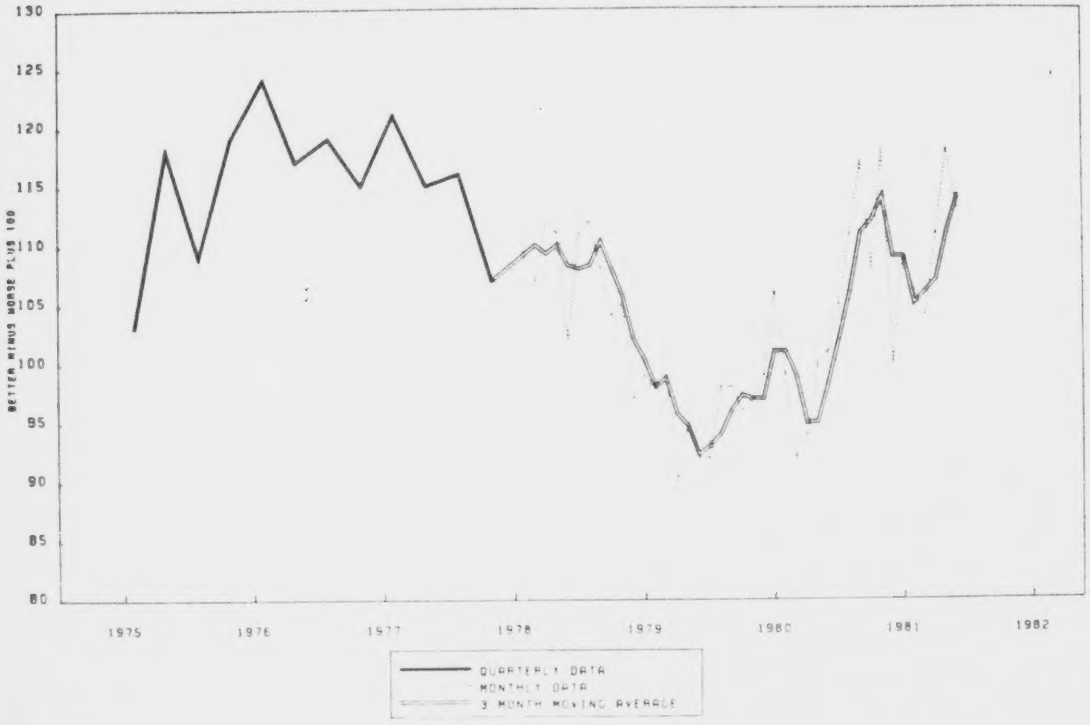

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

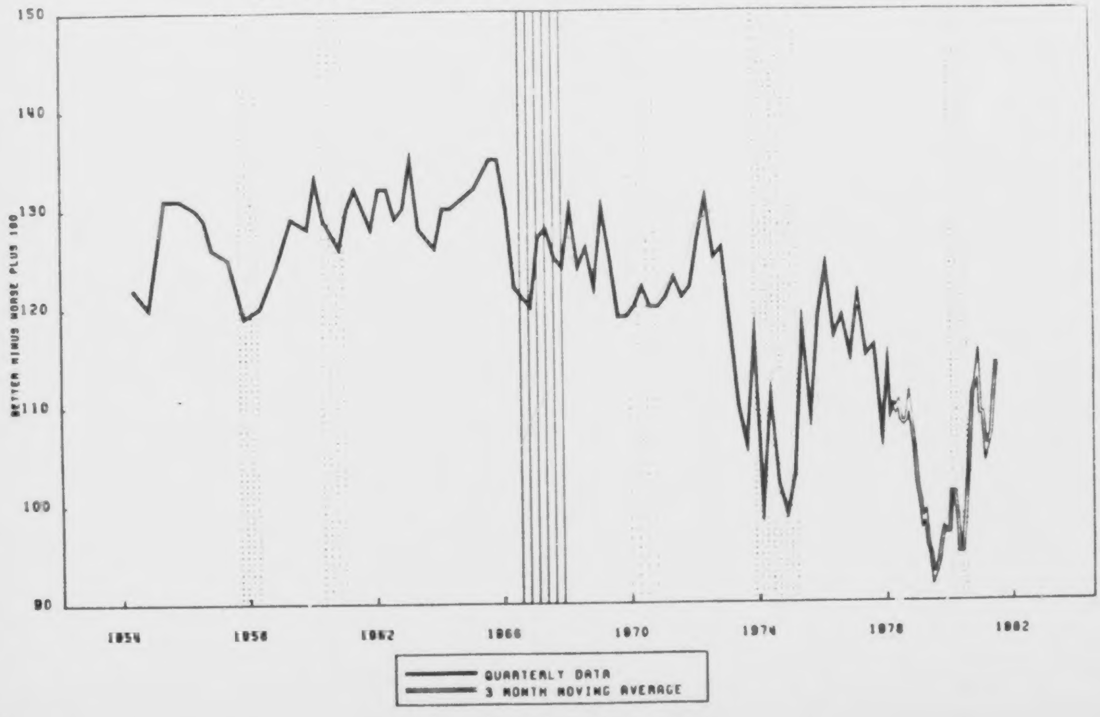

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
BETTER OFF	26%	26%	30%	34%	25%	35%	25%	27%	26%	28%	30%	34%	32%
SAME	46	48	48	45	50	42	45	48	48	45	47	48	44
WORSE OFF	25	21	19	17	17	17	25	18	20	24	19	16	19
DK,NA	3	5	3	4	8	6	5	7	6	3	4	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

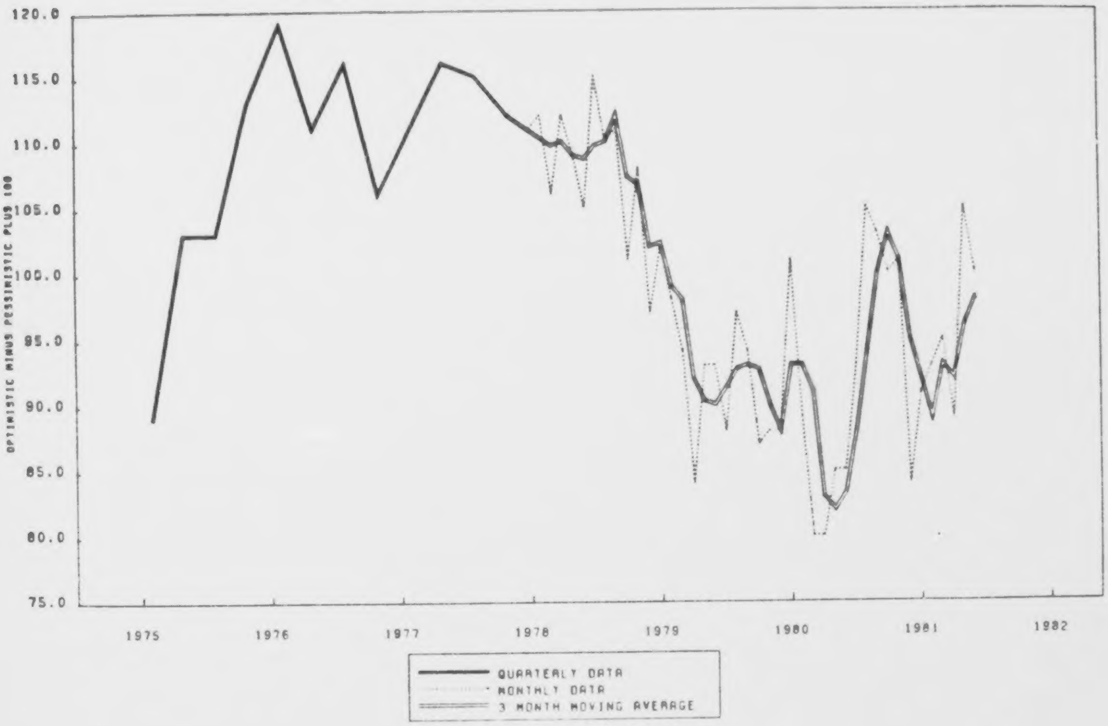

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

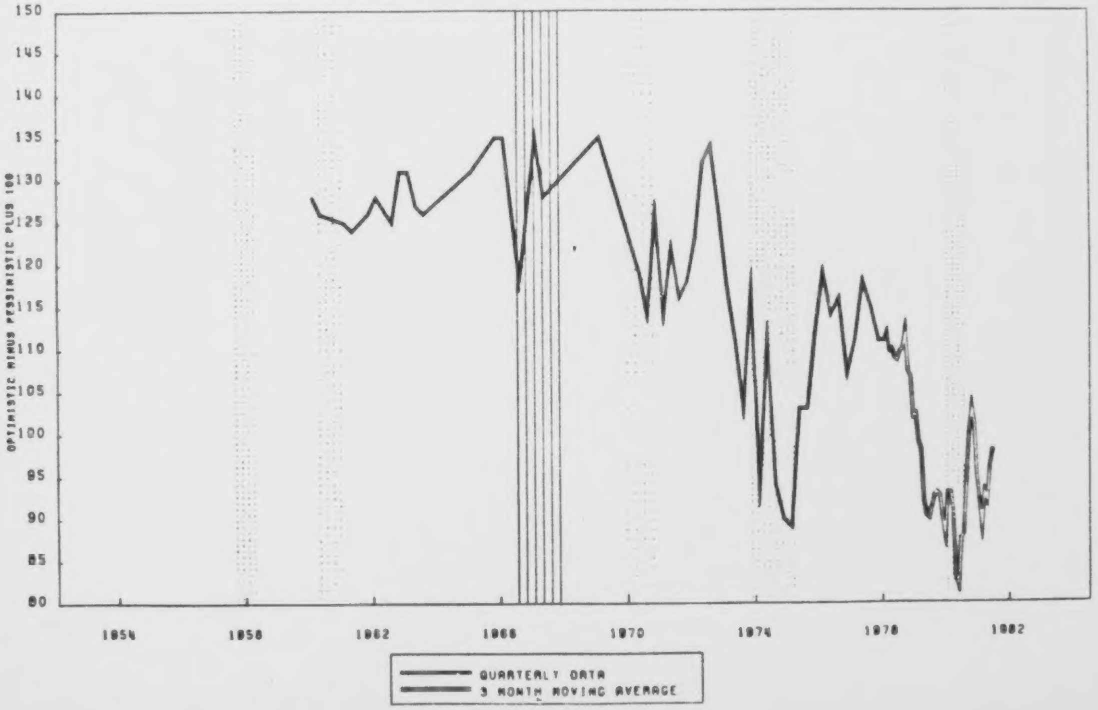

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	10%	12%	12%	14%	12%	13%	9%	10%	8%	12%	11%	15%	13%
Intermittant increase (b)	16	19	22	19	20	19	18	17	20	19	16	23	22
Remain unchanged (c)	14	14	16	15	18	13	12	16	15	15	14	15	14
Intermittant decline (d)	27	28	17	21	21	22	28	25	23	22	27	25	24
Continuous decline (e)	14	10	12	9	11	9	15	11	12	14	11	8	11
Mixed change (f)	15	11	18	16	10	18	13	14	16	14	15	12	11
DK, NA	4	6	3	6	8	6	5	7	6	4	6	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

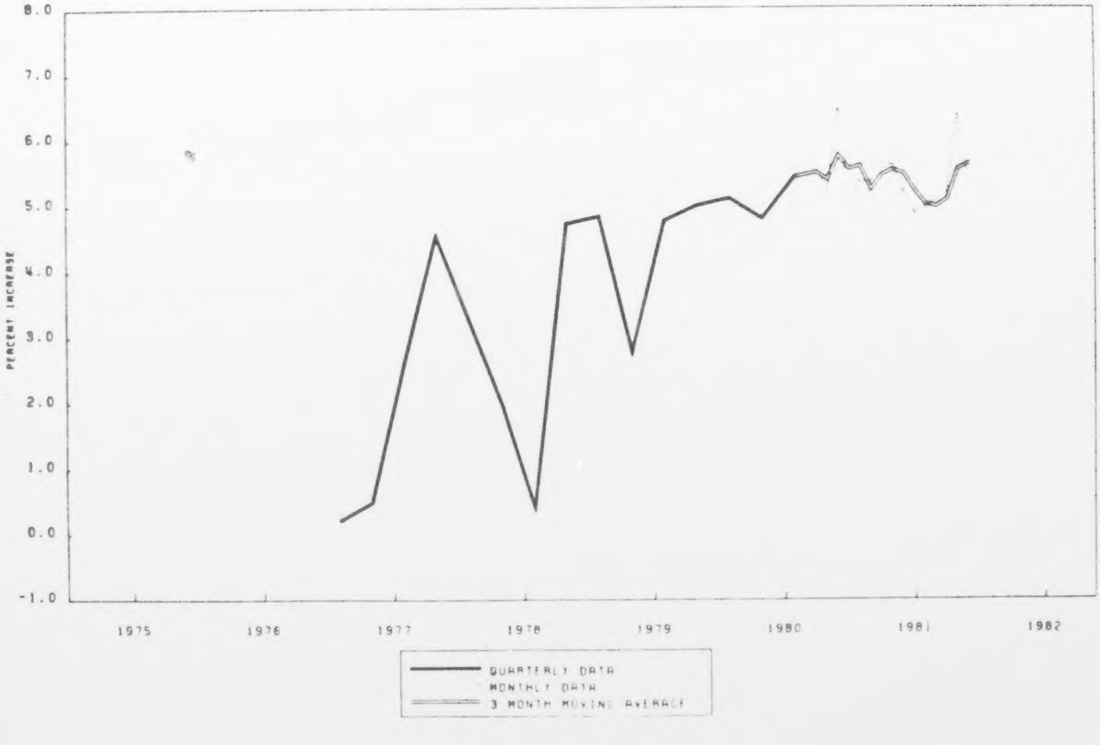

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
EXPECT INCREASE:													
1-4%	5%	5%	6%	7%	8%	5%	8%	6%	8%	7%	6%	6%	6%
5%	7	8	10	7	7	10	7	8	7	9	8	10	10
6-9%	13	11	15	16	15	10	12	10	10	11	11	11	10
10-24%	25	20	20	21	21	26	22	21	20	21	22	28	25
25% or more	8	5	6	5	7	7	7	6	7	7	7	8	7
DK how much up	8	10	9	10	10	8	8	9	9	9	9	7	7
EXPECT SAME	21	21	21	21	21	24	22	24	24	21	25	19	21
EXPECT DOWN	12	18	11	10	9	7	11	12	11	12	10	8	11
DK,NA	1	2	2	3	2	3	3	4	4	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

7

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

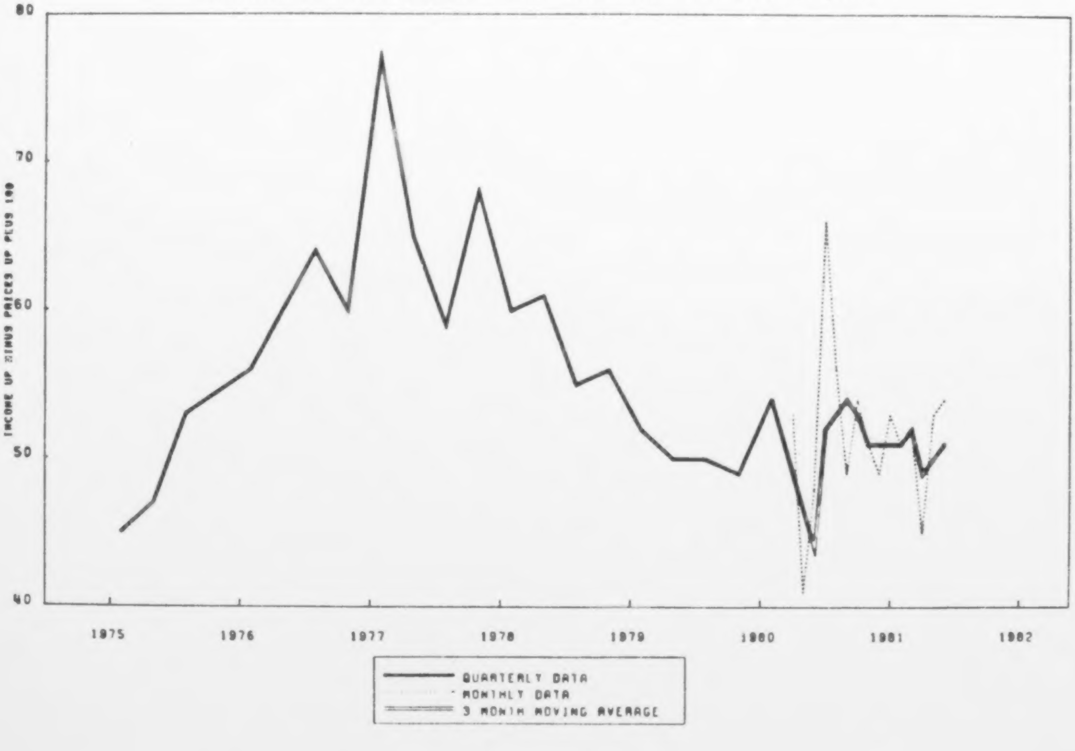

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TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
INCOME UP MORE	11%	12%	13%	12%	13%	10%	11%	13%	10%	13%	9%	12%	13%
INCOME UP SAME	25	30	29	24	25	30	24	25	28	24	26	28	26
PRICES UP MORE	63	56	57	63	59	59	62	60	59	61	64	59	59
DK, NA	1	2	1	1	3	1	3	2	3	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

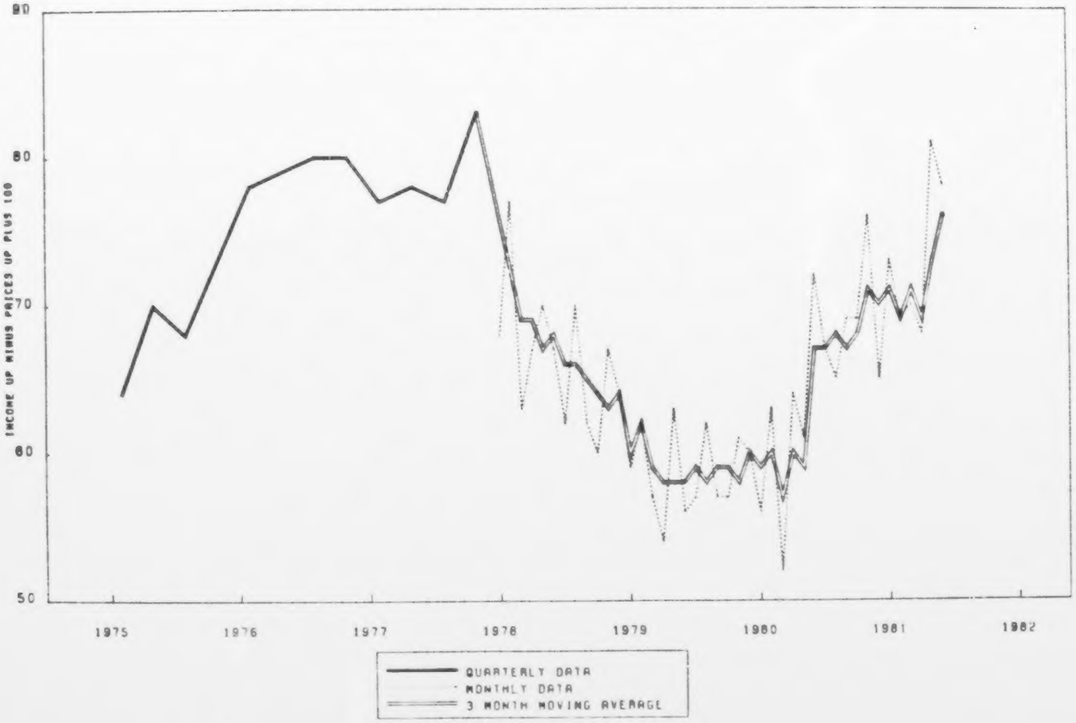

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
INCOME UP MORE	14%	12%	11%	14%	12%	16%	12%	14%	11%	14%	13%	19%	16%
INCOME UP SAME	41	38	40	38	42	42	36	39	43	38	39	41	43
PRICES UP MORE	42	45	46	45	43	40	47	41	42	44	45	38	38
DK, NA	3	5	3	3	3	2	5	6	4	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

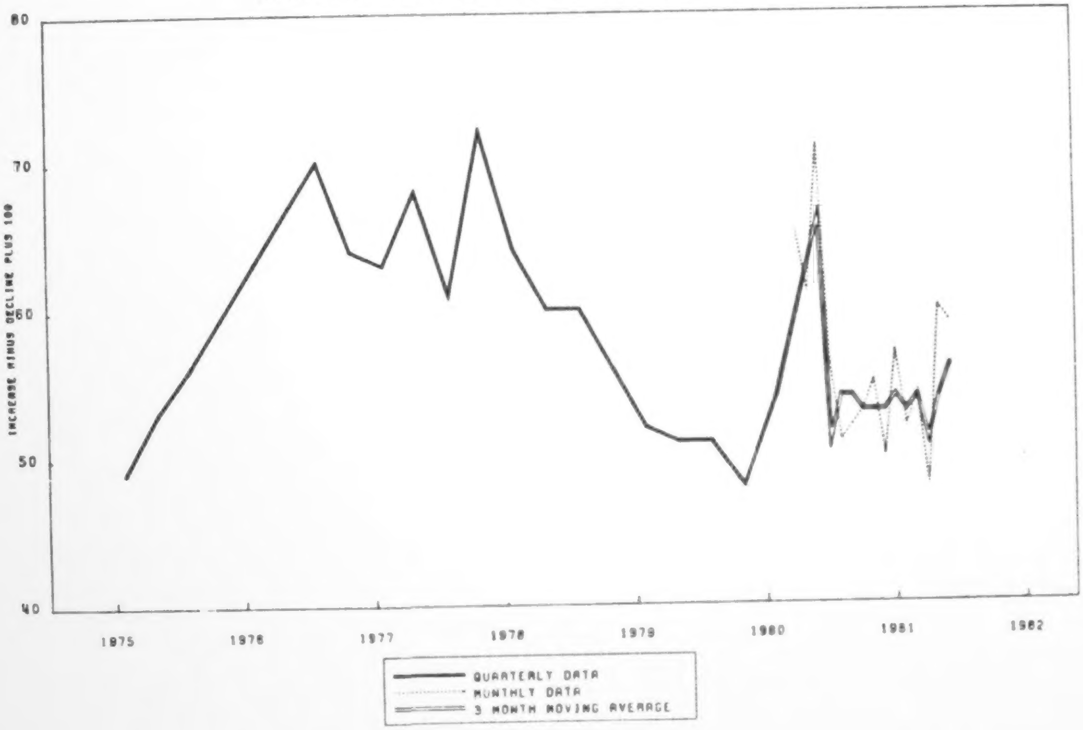

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	5%	3%	5%	6%	6%	5%	6%	4%	6%	4%	6%	6%
Intermittant increase (b)	8	9	11	9	6	9	7	8	8	9	7	10	10
Remain unchanged (c)	16	17	17	14	18	17	14	17	18	14	17	16	17
Intermittant decline (d)	26	23	22	23	25	27	24	22	25	26	25	25	25
Continuous decline (e)	35	35	37	39	34	33	38	35	35	35	38	31	32
Mixed change (f)	7	5	6	6	7	5	6	6	5	5	6	9	6
DK, NA	3	6	4	4	4	3	6	6	5	5	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

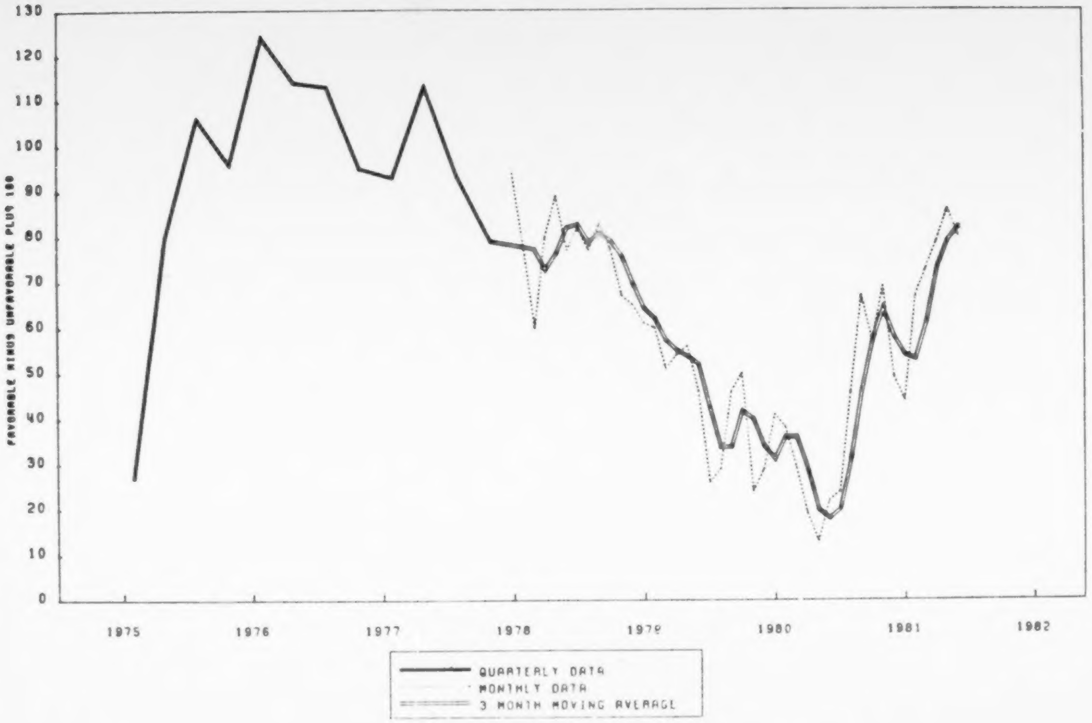

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

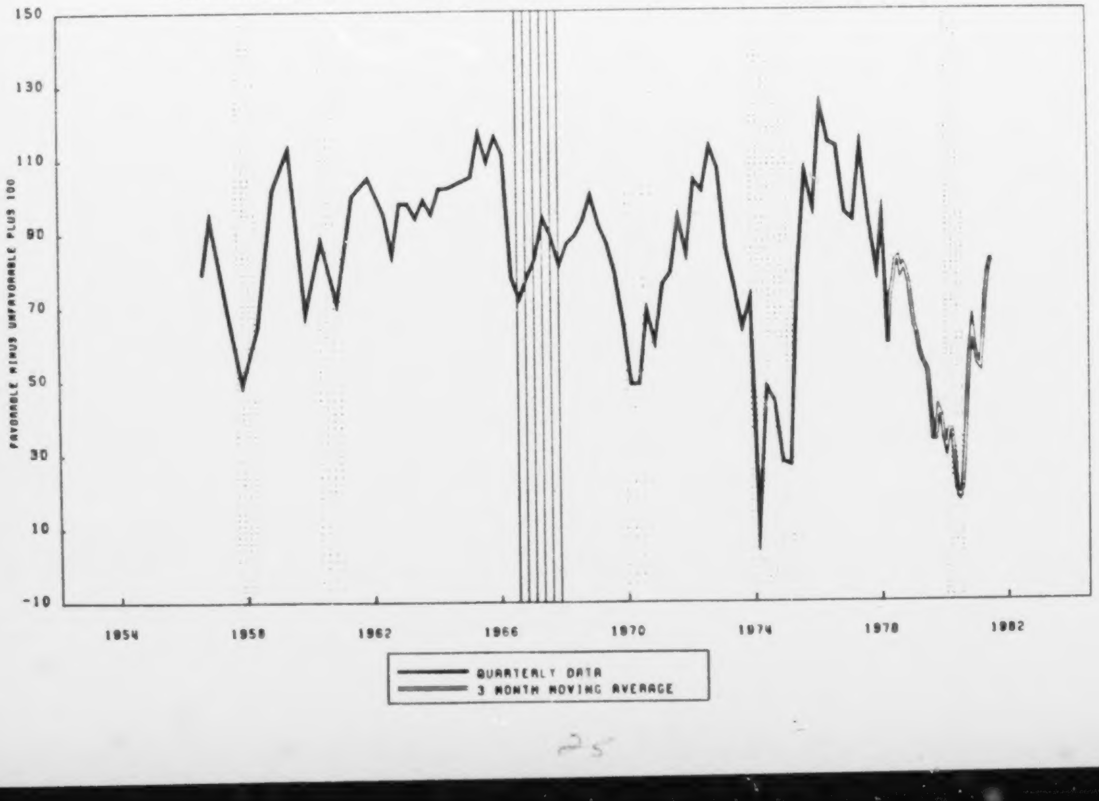

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
FAVORABLE NEWS	15%	19%	24%	30%	29%	27%	17%	19%	23%	30%	28%	31%	24%
UNFAVORABLE NEWS	93	95	78	63	72	58	68	75	56	57	49	45	44
NO MENTIONS	29	30	34	38	33	47	44	39	46	42	47	47	52

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
FAVORABLE NEWS:													
Government; elections	1%	*	1%	2%	1%	7%	4%	4%	9%	9%	6%	4%	6%
Employment	3	4	7	7	10	7	5	4	5	8	7	8	4
Consumer demand high	1	1	1	3	3	2	1	2	1	1	3	4	1
Prices are low	1	1	*	1	2	1	*	*	1	1	2	2	3
Credit is easy	7	7	8	7	3	1	*	3	3	4	5	2	2
UNFAVORABLE NEWS:													
Government; elections	2	4	3	1	4	3	2	4	5	7	7	4	4
Unemployment	50	43	31	25	26	21	18	19	15	19	19	14	16
Consumer demand low	9	12	12	8	8	8	11	14	9	10	6	6	3
Prices are high	8	12	13	10	10	9	8	11	10	6	6	4	5
Credit is tight	9	5	5	8	12	9	19	14	7	4	4	7	9
Energy crisis	1	1	1	*	1	*	1	1	*	1	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

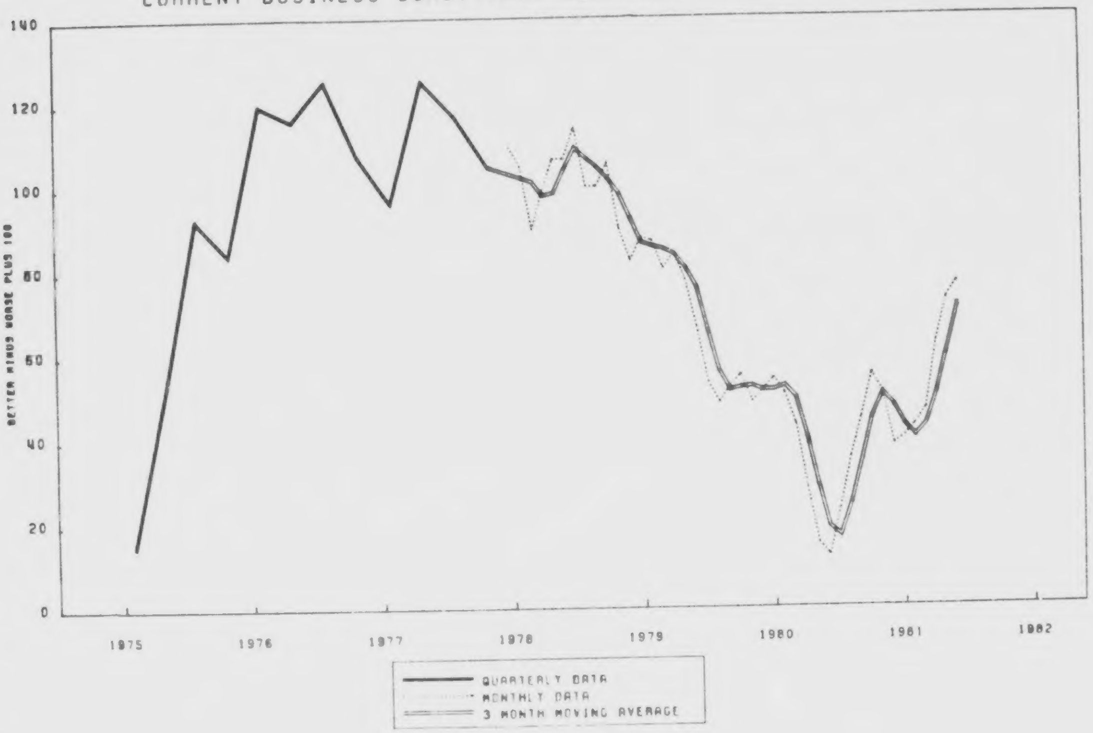

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

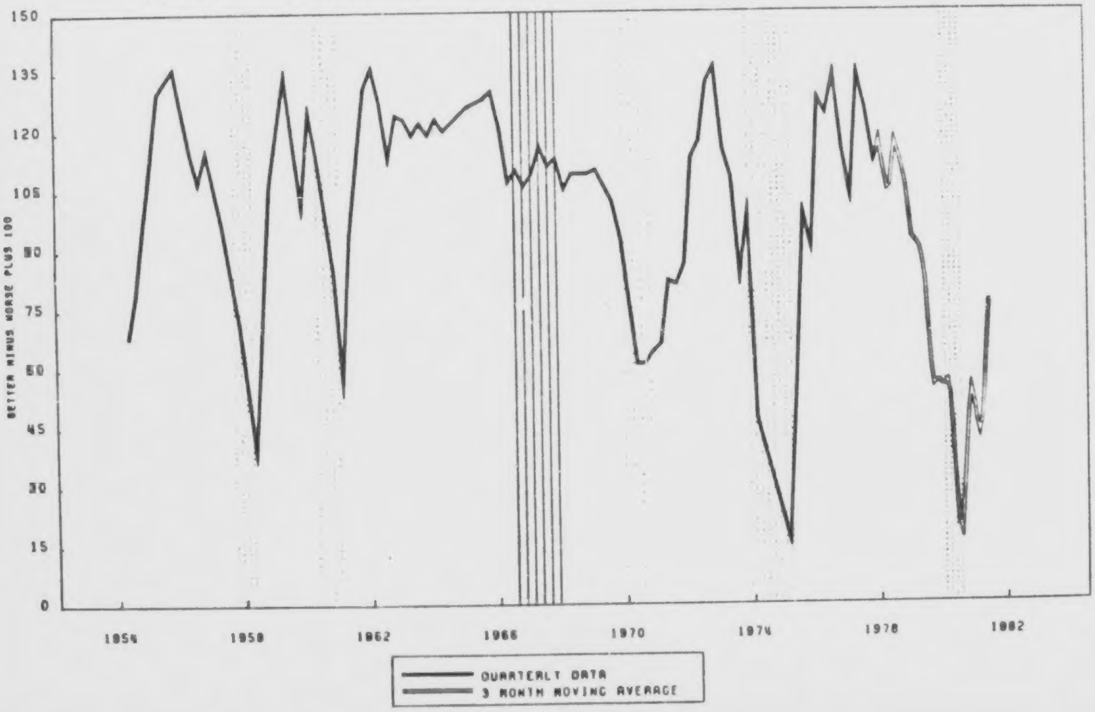

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
BETTER NOW	4%	10%	15%	18%	23%	21%	13%	14%	14%	17%	24%	30%	31%
SAME	5	4	7	10	10	10	12	13	15	14	17	17	18
WORSE NOW	90	85	77	70	64	67	72	71	68	67	57	52	49
DK,NA	1	1	1	2	3	2	3	2	3	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

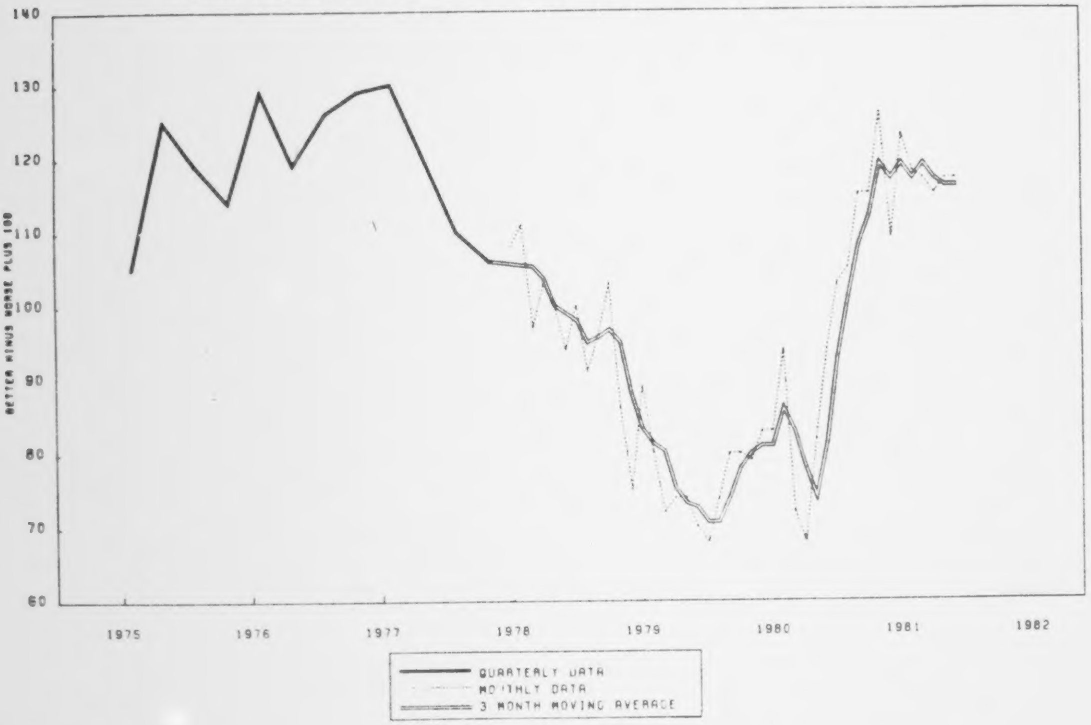

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

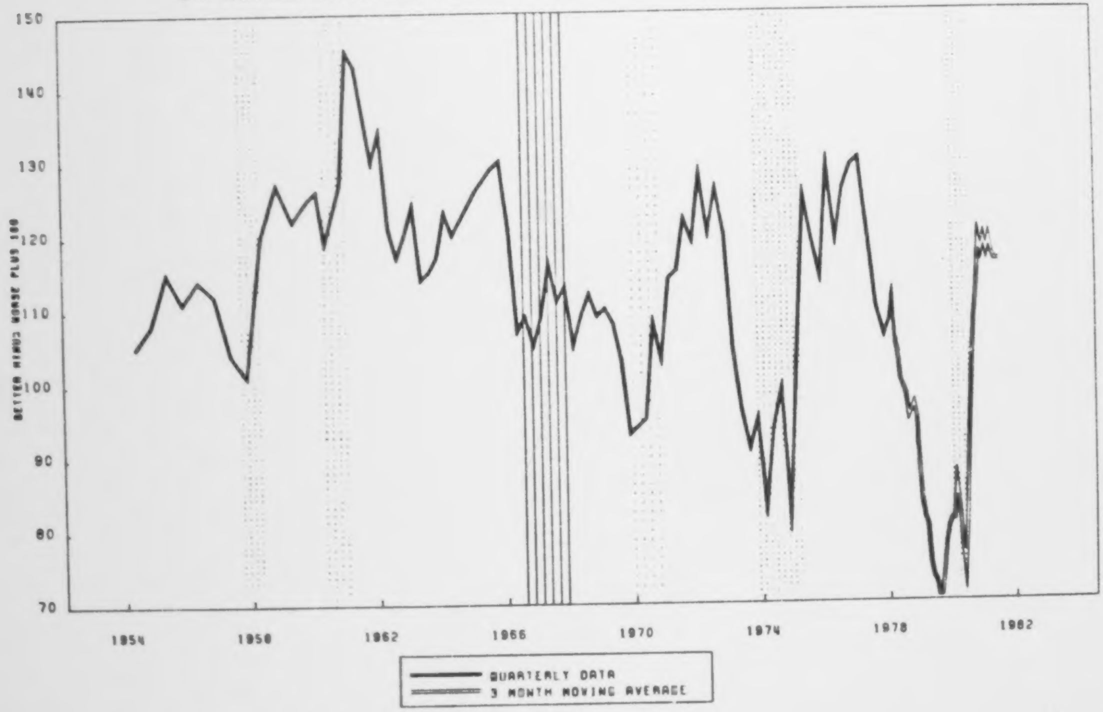

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
BETTER	26%	28%	28%	32%	33%	40%	29%	39%	34%	38%	36%	36%	36%
SAME	38	43	44	47	44	42	46	42	46	38	41	44	42
WORSE	32	25	23	17	18	14	20	16	16	21	21	19	19
DK,NA	4	4	5	4	5	4	5	3	4	3	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
FAVORABLE REASONS:													
Government; elections	10%	15%	14%	15%	16%	34%	27%	35%	32%	32%	31%	25%	25%
Employment	3	4	4	5	5	5	3	4	2	4	4	4	3
Higher consumer demand	1	2	3	4	5	3	2	2	3	2	2	2	3
Lower prices	3	1	1	3	3	2	3	2	2	3	2	3	2
Easier credit	5	2	3	3	2	3	2	4	2	2	2	3	4
UNFAVORABLE REASONS:													
Government; elections	7	12	7	7	11	7	8	7	7	9	8	8	12
Unemployment	12	10	7	6	4	5	8	7	6	6	6	5	8
Lower consumer demand	5	6	7	3	2	2	6	5	4	4	5	4	4
Higher prices	10	9	14	10	10	8	10	8	12	8	10	6	8
Tighter credit	4	2	2	2	2	2	7	4	2	2	2	3	3
Energy crisis	1	1	1	1	1	1	*	1	1	1	*	*	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

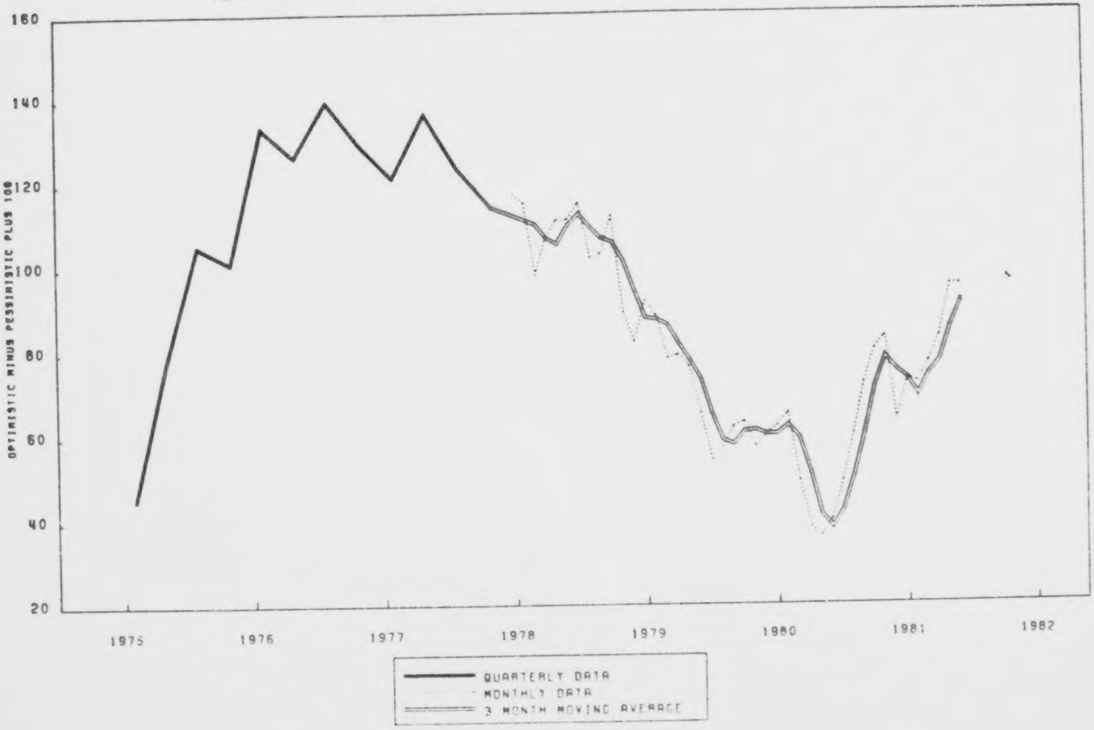

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

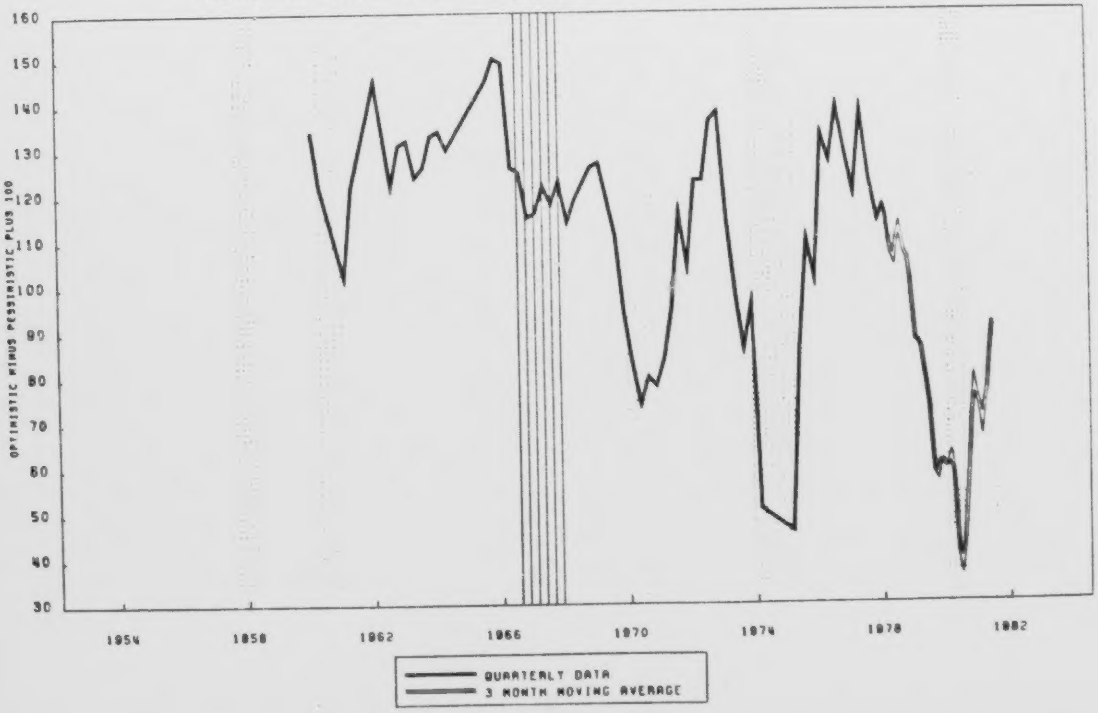

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
TREND:													
Continuous increase (a)	1%	2%	5%	9%	9%	11%	5%	6%	7%	9%	15%	14%	19%
Intermittant increase (b)	4	7	9	10	13	14	10	11	12	12	13	17	16
Remain unchanged (c)	2	1	3	6	5	4	5	7	7	6	8	10	8
Intermittant decline (d)	35	37	35	33	28	29	36	30	33	27	29	24	25
Continuous decline (e)	30	23	19	14	14	13	16	14	14	17	16	12	15
Mixed change (f)	23	26	23	23	23	24	21	27	21	25	16	20	12
DK,NA	5	4	6	5	8	5	7	5	6	4	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

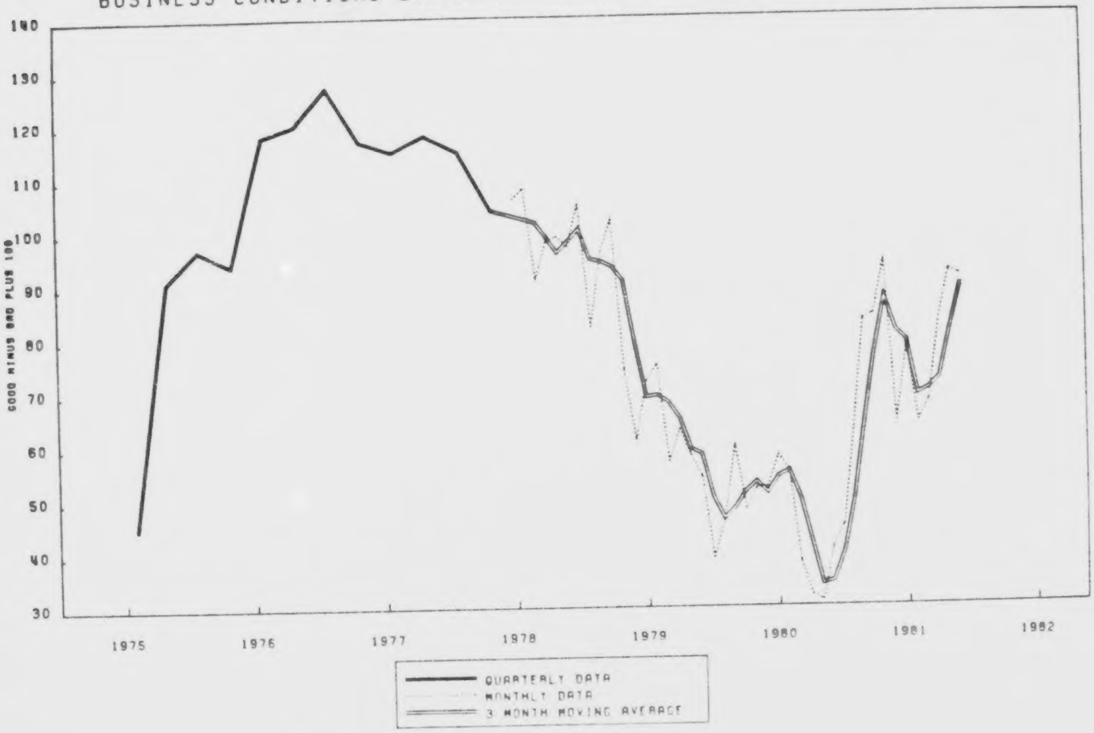

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

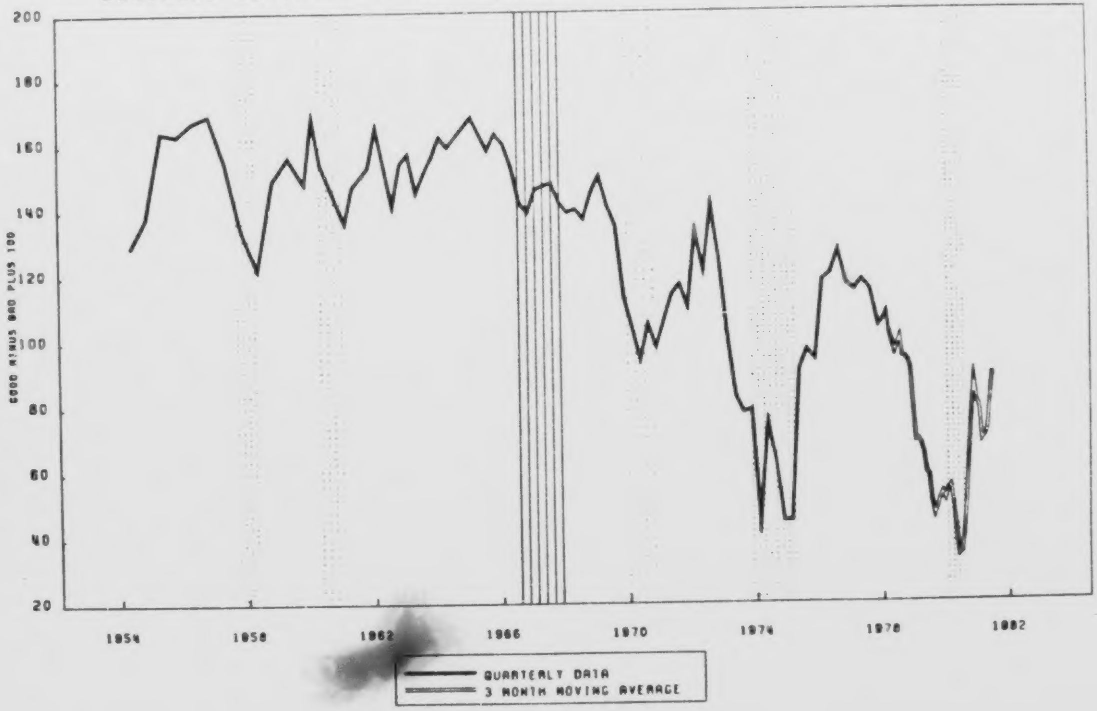

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIMES	18%	19%	25%	35%	33%	39%	26%	31%	26%	27%	36%	41%	41%
UNCERTAIN; GOOD & BAD	1	1	2	2	2	2	1	2	2	3	3	3	2
BAD TIMES	75	74	62	52	49	45	62	53	62	59	53	49	50
DON'T KNOW	4	4	7	7	8	8	7	10	6	6	6	5	5
NOT ASCERTAINED	2	2	4	4	8	6	4	4	4	5	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

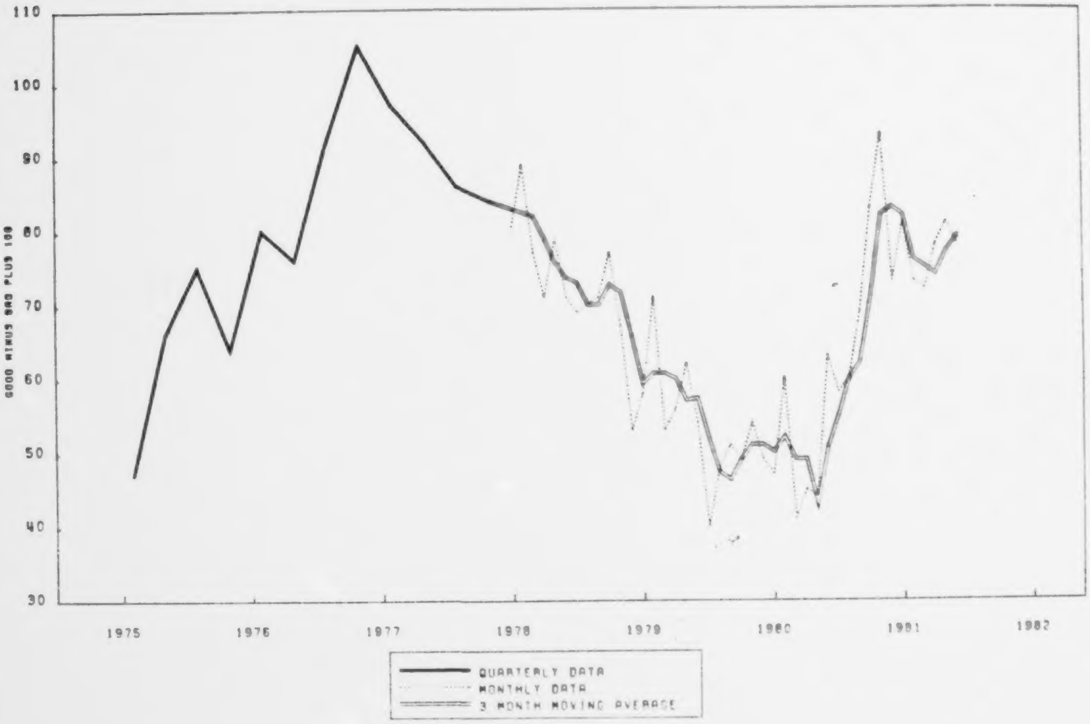

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

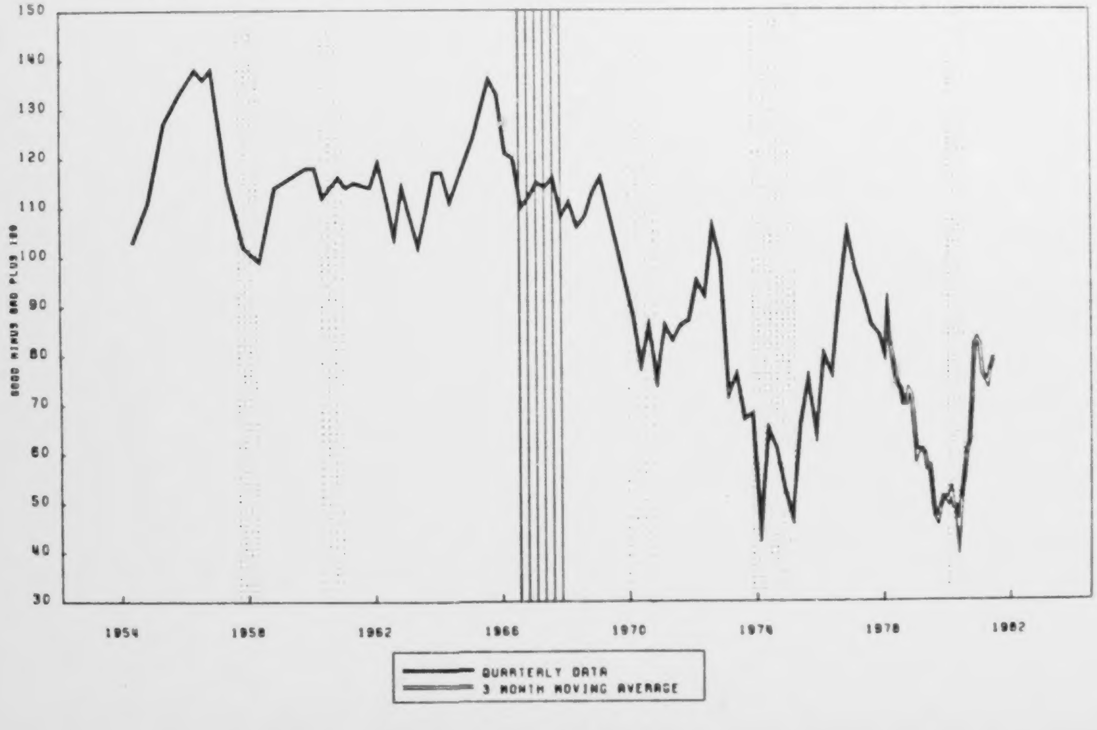

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIMES	22%	19%	19%	25%	27%	36%	25%	30%	28%	27%	30%	33%	33%
UNCERTAIN; GOOD & BAD	12	13	16	14	19	15	16	15	12	14	13	11	9
BAD TIMES	59	61	59	56	44	43	52	49	55	55	52	52	55
NOT ASCERTAINED	7	7	6	5	10	6	7	6	5	4	5	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

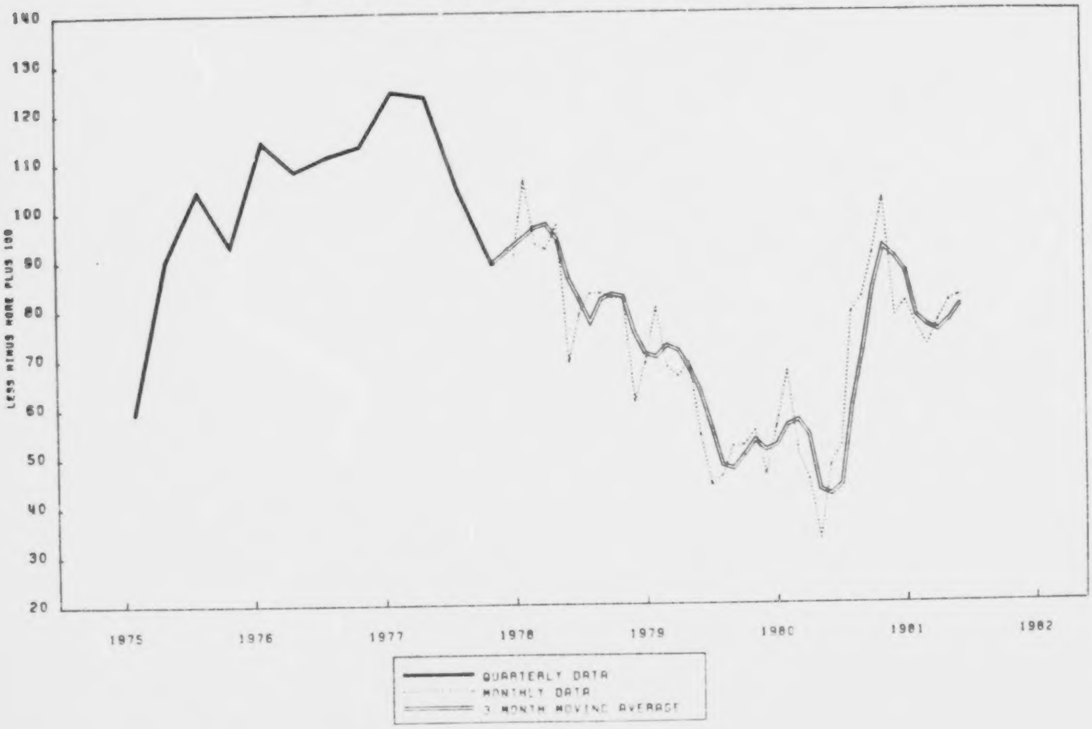

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

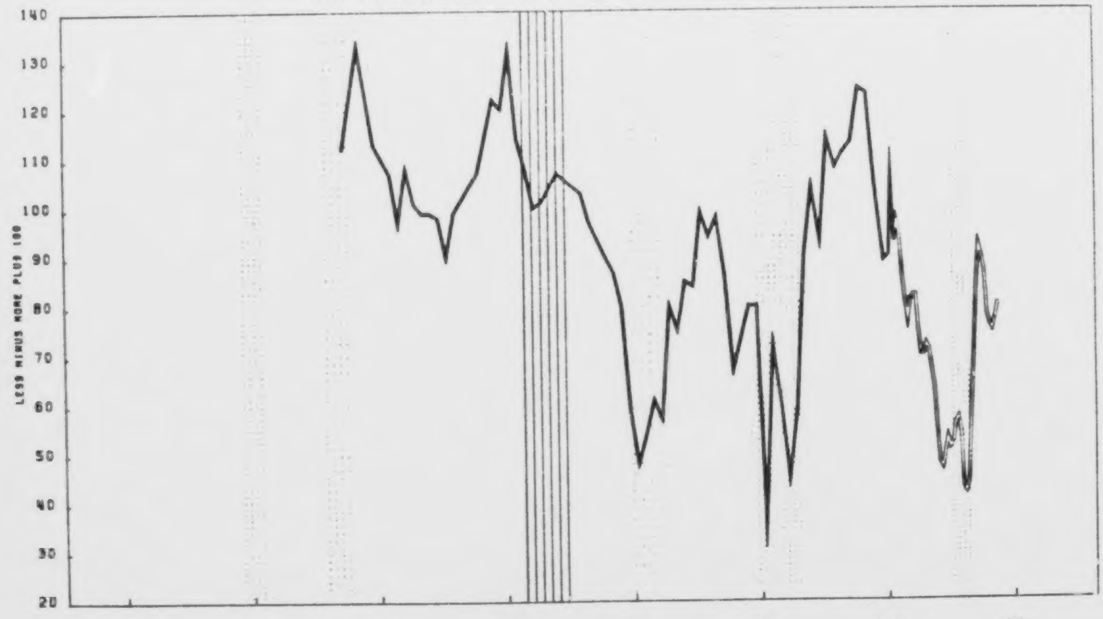

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
LESS	11%	11%	19%	22%	21%	26%	17%	19%	16%	13%	17%	17%	18%
SAME	25	30	38	36	46	47	41	41	42	43	41	46	44
MORE	63	59	40	40	30	24	39	38	40	41	40	36	36
DK, NA	1	*	3	2	3	3	3	2	2	3	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

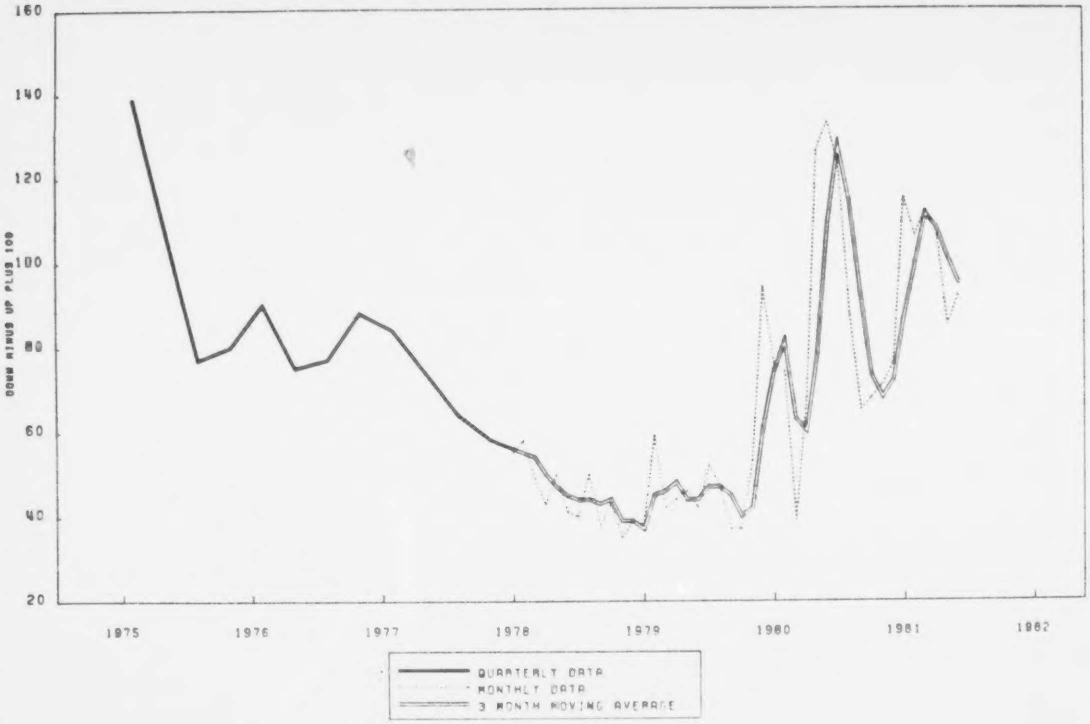
CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

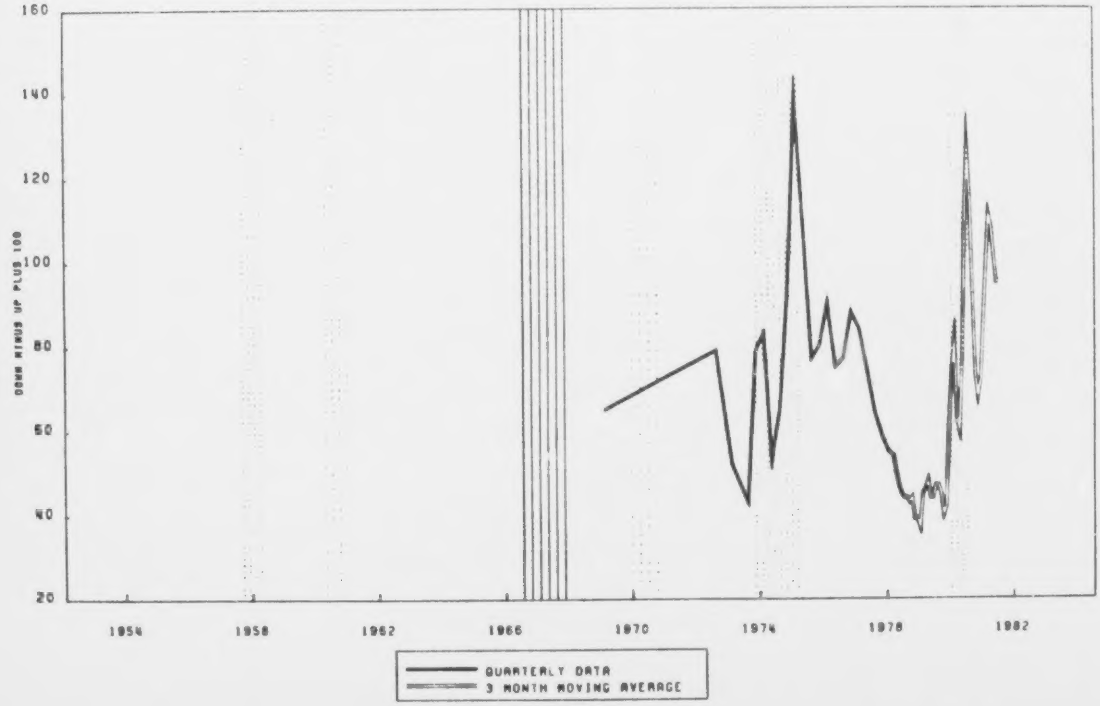
CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GO UP	21%	21%	39%	53%	49%	51%	53%	29%	31%	29%	31%	41%	38%
STAY THE SAME	22	31	30	25	26	22	14	20	24	26	27	30	27
GO DOWN	54	44	26	18	17	22	29	44	37	41	38	26	30
DK, NA	3	4	5	4	8	5	4	7	8	4	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

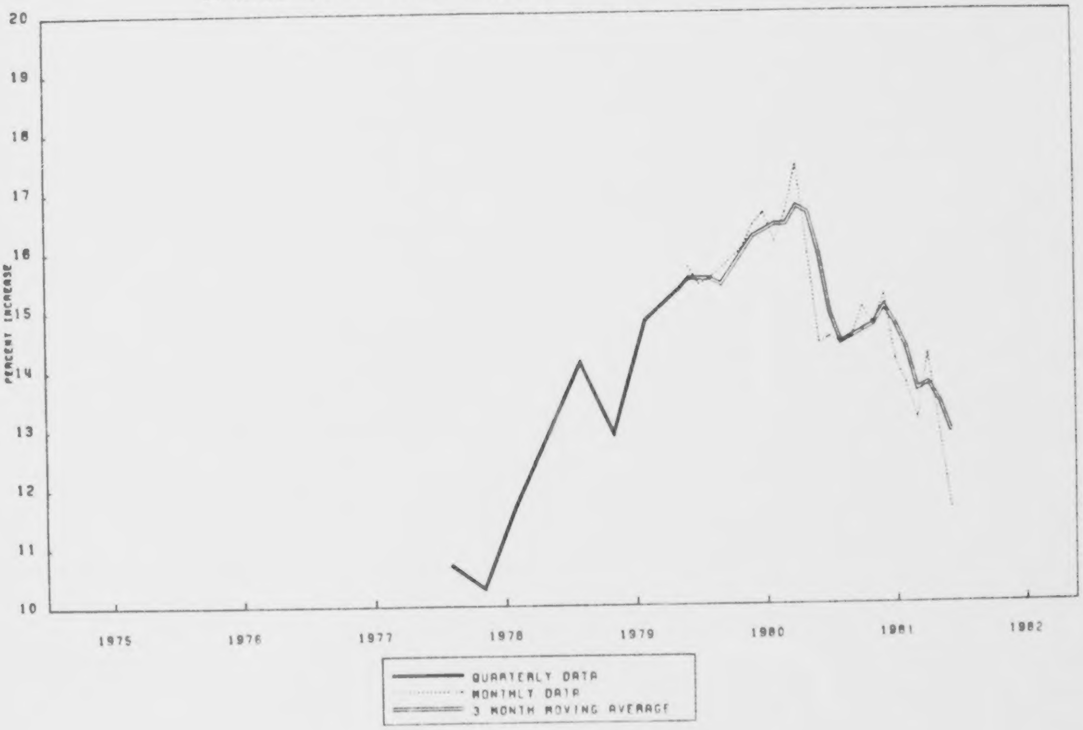

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
SAME OR DOWN	6%	4%	4%	4%	2%	3%	2%	3%	2%	4%	4%	5%	9%
GONE UP BY:													
1-2%	1	3	2	2	3	2	2	2	3	2	4	2	4
3-4%	3	5	6	5	4	4	3	4	4	4	5	7	6
5%	6	7	8	7	11	7	9	7	8	7	6	8	8
6-9%	10	11	12	9	11	12	9	8	8	10	12	10	10
10-14%	25	22	20	24	23	27	26	31	32	29	26	31	25
15% or more	33	29	32	31	32	29	32	28	25	25	30	27	22
DK how much up	15	18	15	17	14	16	16	17	17	18	13	10	16
DK,NA	1	1	1	1	*	*	1	*	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6
VARIANCE	140	168	160	151	169	161	158	130	128	111	156	123	112
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

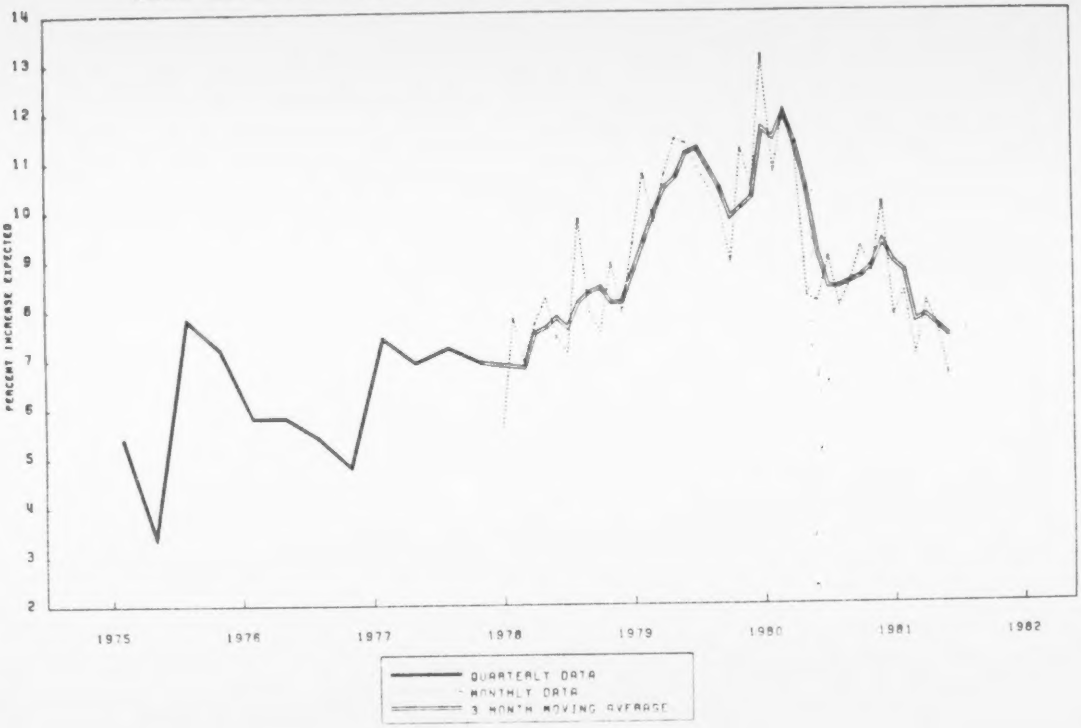

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

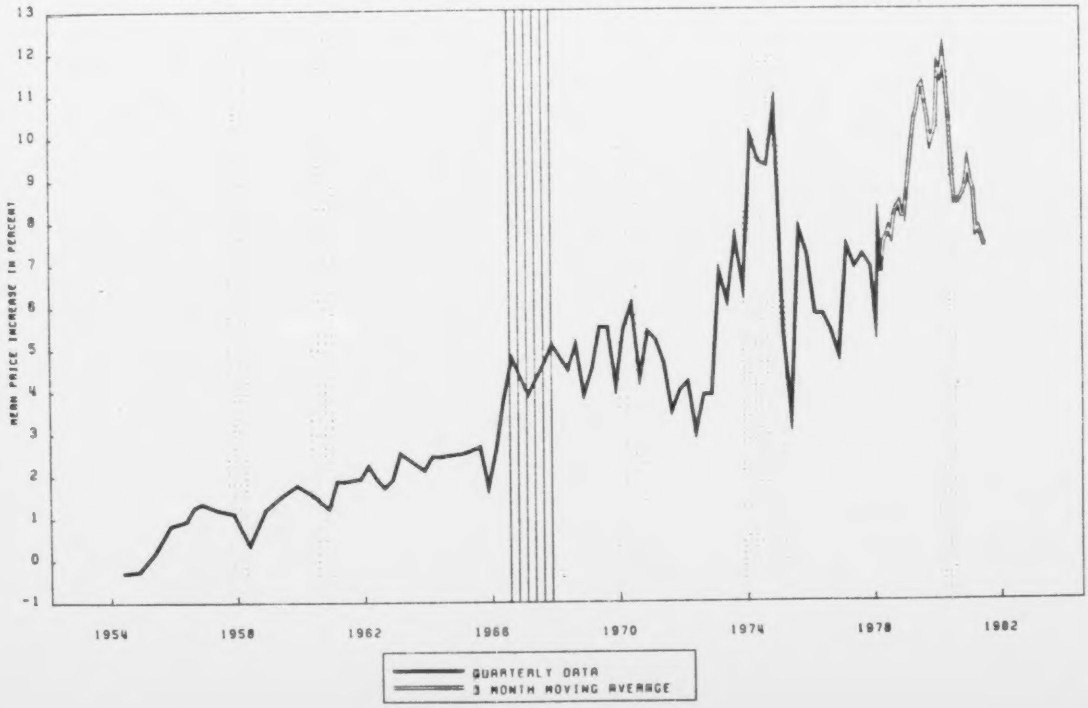

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
SAME OR DOWN	27%	22%	18%	17%	20%	25%	17%	21%	18%	26%	27%	25%	31%
WILL GO UP BY:													
1-2%	3	3	6	5	3	3	3	3	5	2	4	2	4
3-4%	6	5	7	5	6	5	5	6	9	8	7	8	6
5%	7	8	11	11	10	8	9	7	9	11	9	10	8
6-9%	10	10	12	10	10	12	11	12	12	11	9	13	12
10-14%	20	21	24	23	24	20	25	28	23	20	20	22	21
15% or more	14	15	10	13	16	14	18	9	12	9	14	11	10
DK how much up	10	13	11	13	9	11	10	11	10	11	8	7	7
DK,NA	3	3	1	3	2	2	2	3	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6
VARIANCE	89	95	71	68	100	102	107	54	74	57	97	79	57
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

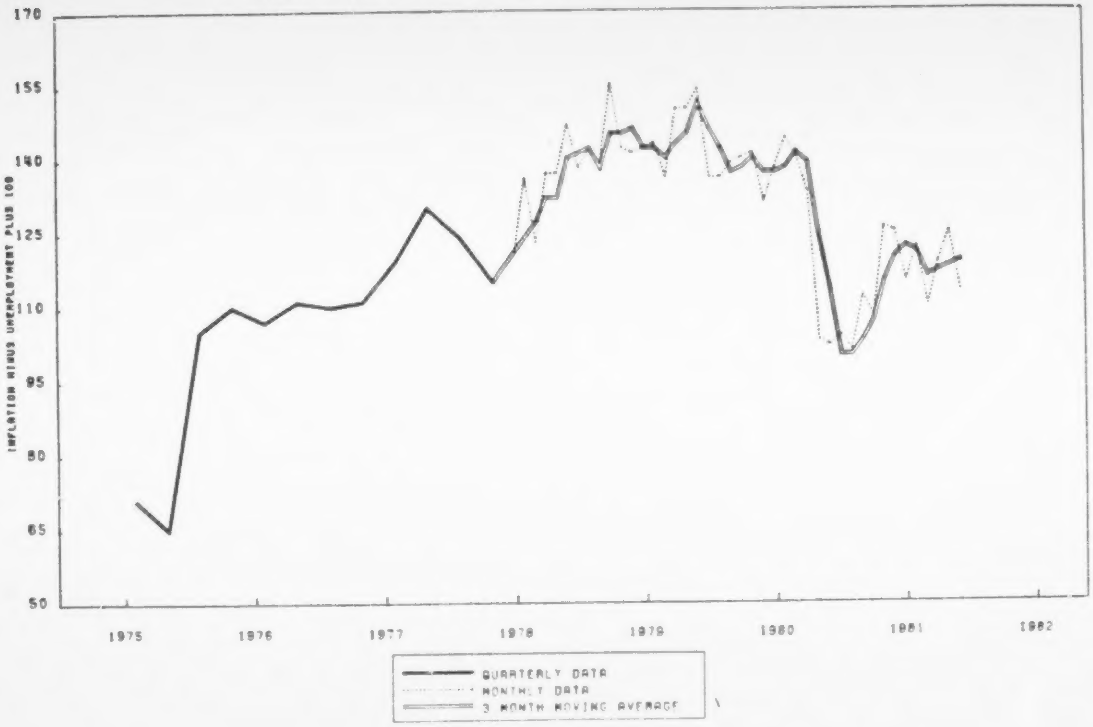

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

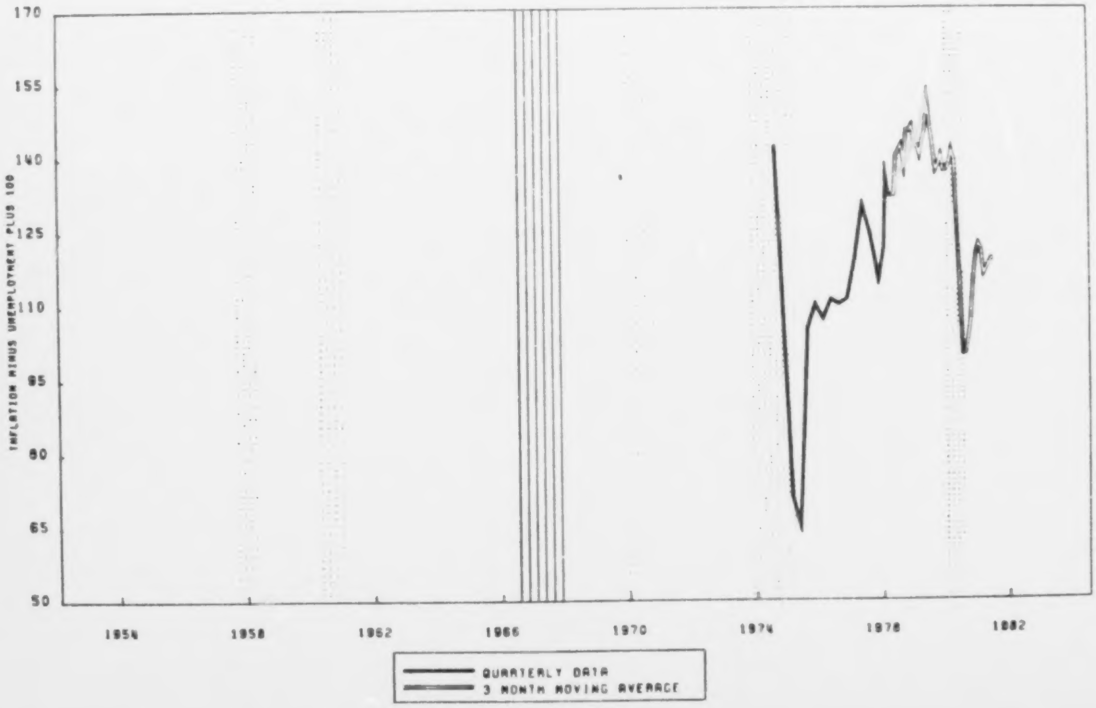

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
UNEMPLOYMENT	43%	45%	43%	38%	40%	31%	32%	34%	34%	39%	35%	33%	36%
BOTH EQUALLY SERIOUS	11	11	10	9	11	11	9	14	8	11	8	8	14
INFLATION	45	41	44	50	48	57	57	49	56	49	54	58	49
DK,NA	1	3	3	3	1	1	2	3	2	1	3	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

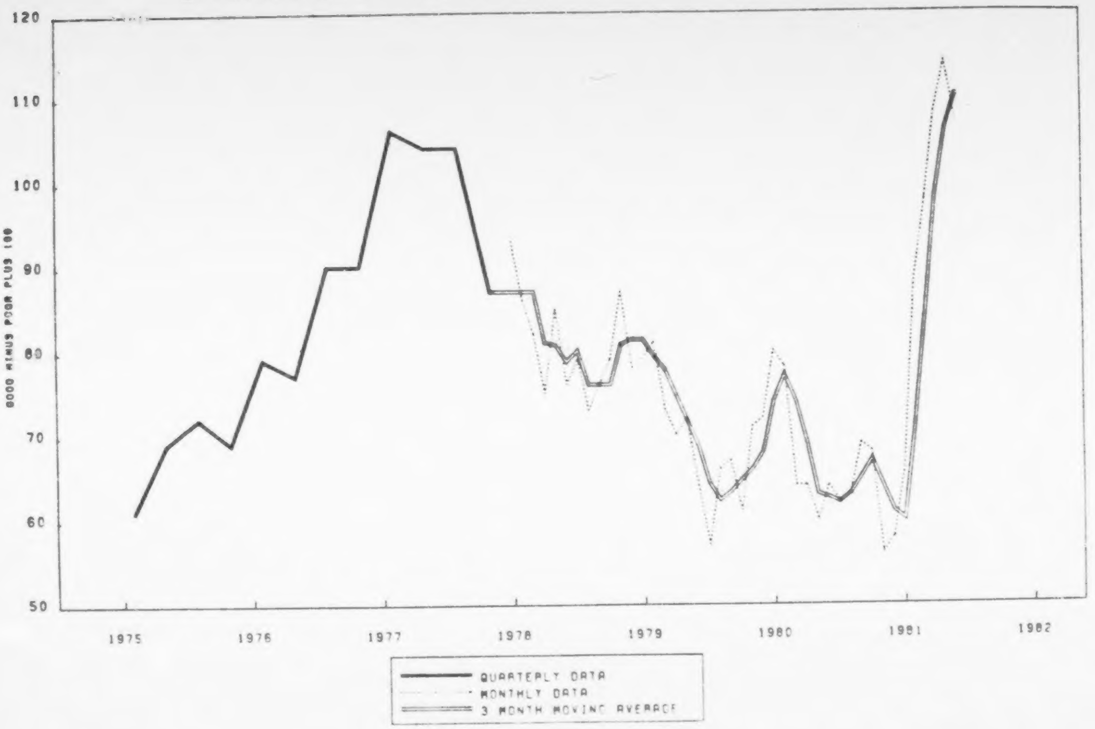

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

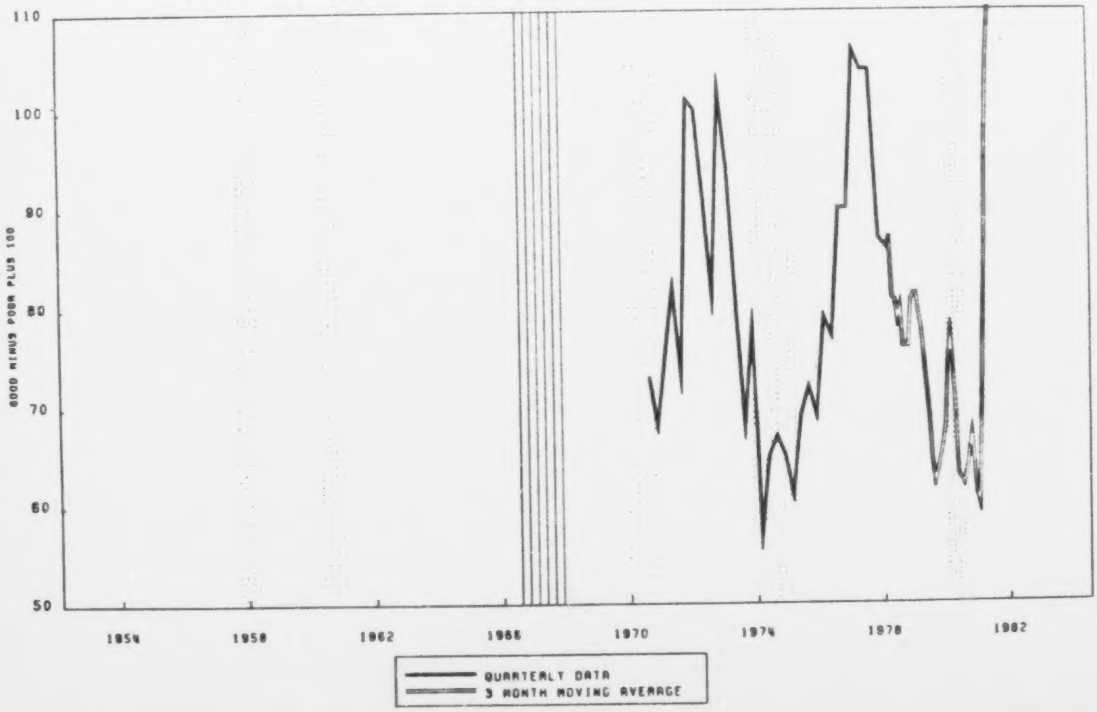

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
A GOOD JOB	10%	9%	8%	10%	8%	6%	7%	10%	19%	22%	28%	30%	25%
ONLY FAIR	40	41	45	46	50	41	42	42	40	45	47	49	54
A POOR JOB	46	47	45	41	40	50	49	44	31	25	20	16	18
DK,NA	4	3	2	3	2	3	2	4	10	8	5	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

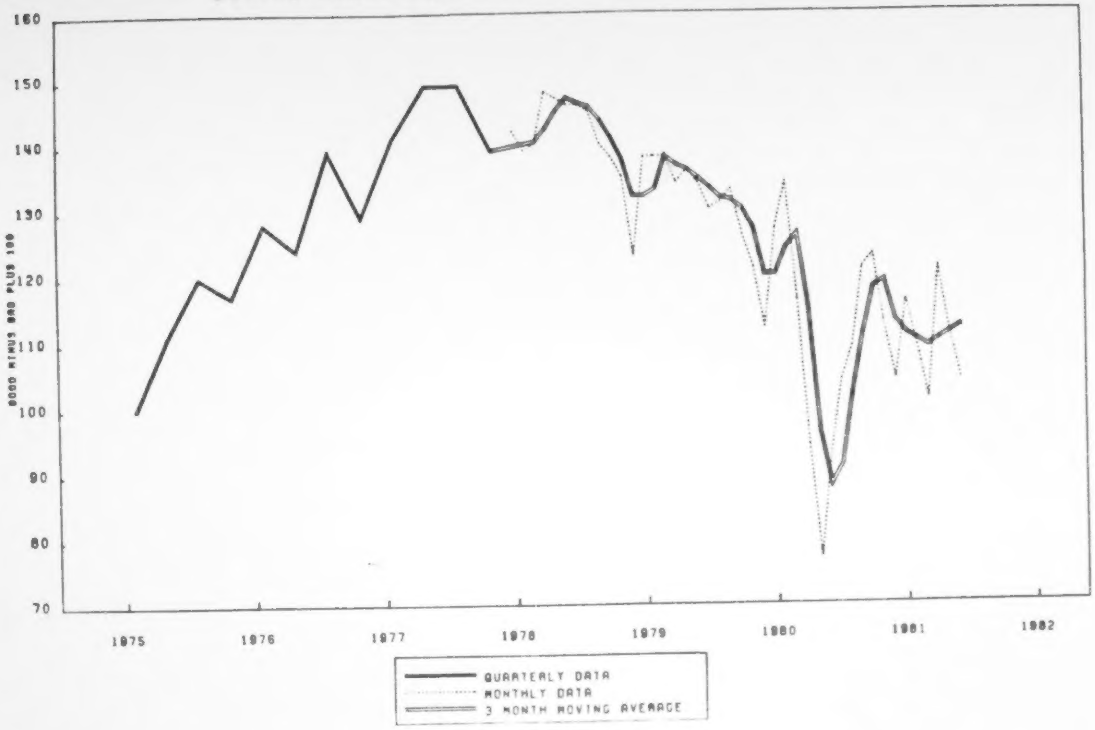

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

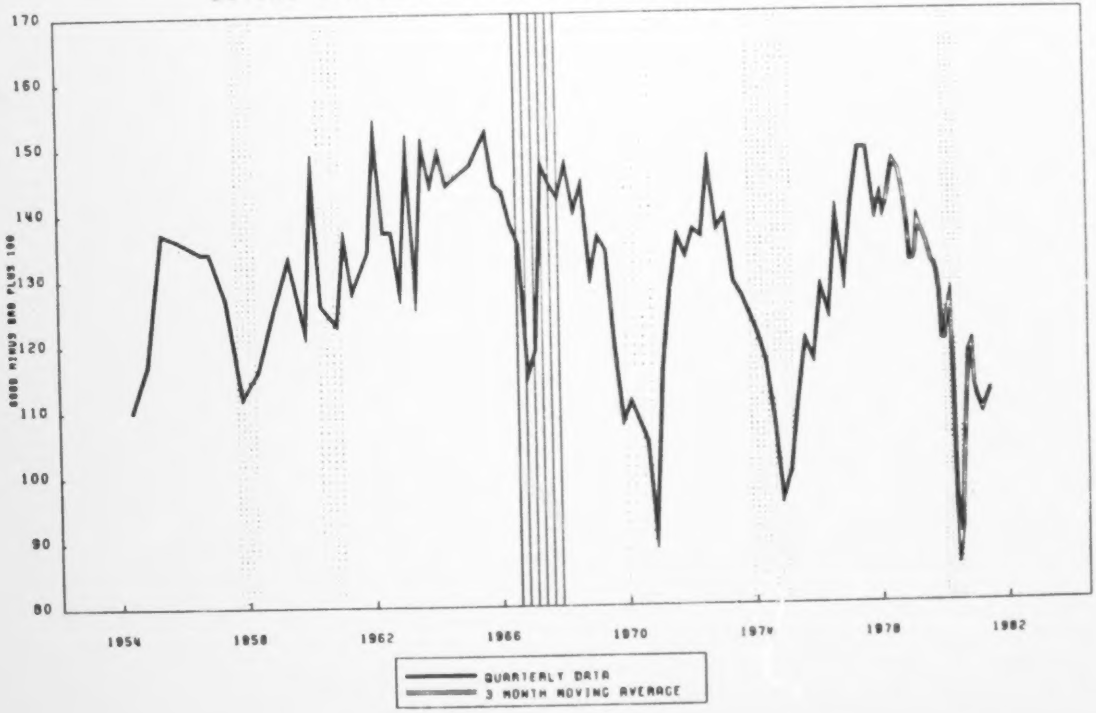

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY	41%	44%	47%	52%	55%	50%	45%	50%	47%	43%	54%	50%	44%
UNCERTAIN, DEPENDS	11	16	15	17	13	12	14	16	15	15	13	11	16
BAD TIME TO BUY	48	40	38	31	32	38	41	34	38	42	33	39	40
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	16%	19%	17%	18%	20%	20%	17%	23%	23%	22%	21%	16%	20%
Prices won't come down; are going higher	26	22	27	31	30	31	24	28	24	23	31	30	23
Interest rates low; credit is easy	3	5	5	3	4	2	3	2	3	1	2	3	1
BAD TIME TO BUY:													
Prices are high	29	23	23	20	16	23	26	17	24	23	19	25	22
Interest rates are high; credit is tight.	24	19	16	13	17	17	22	25	26	22	17	18	23
Lack of purchasing power	15	20	14	12	11	11	11	11	13	16	12	9	13

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

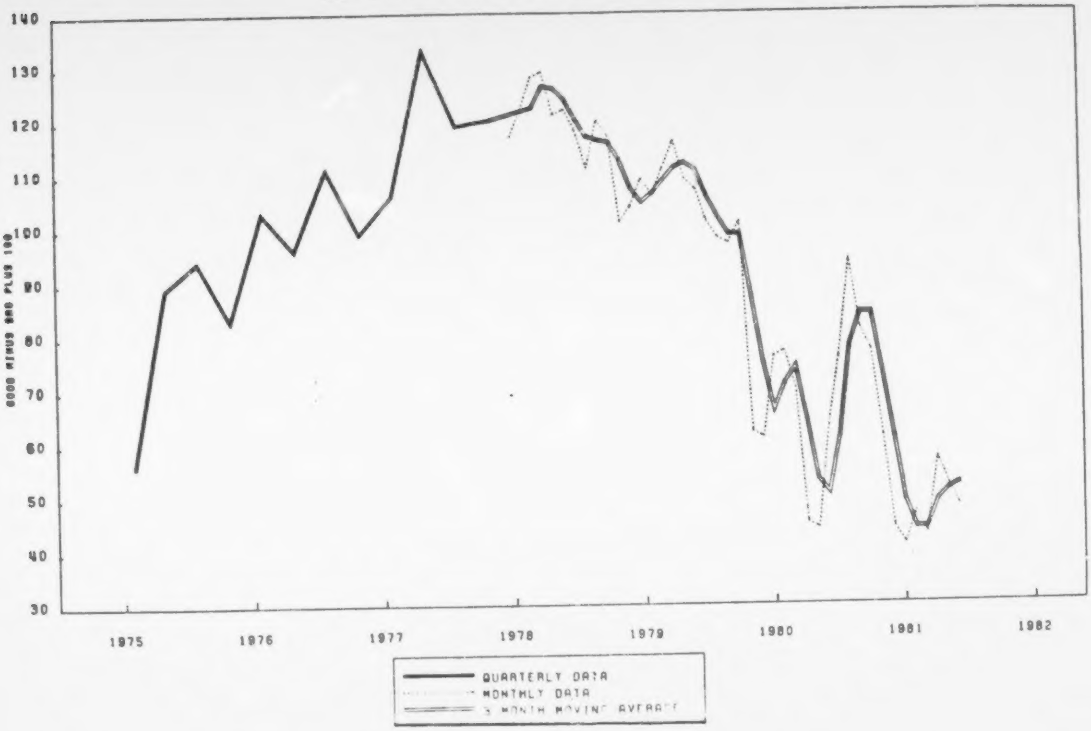

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

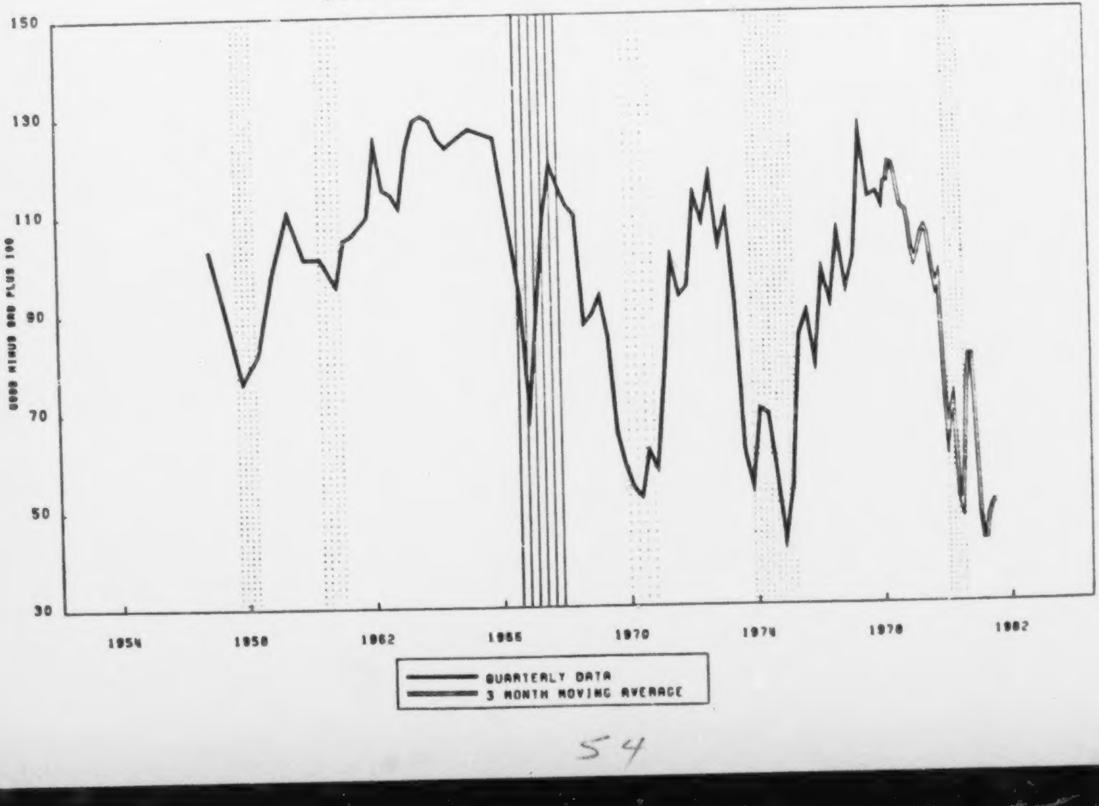

TABLE 28

BUYING CONDITIONS FOR HOUSES

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY	29%	34%	44%	38%	36%	28%	19%	18%	21%	20%	26%	24%	20%
UNCERTAIN, DEPENDS	5	8	6	5	5	5	6	5	5	3	5	4	8
BAD TIME TO BUY	66	58	50	57	59	67	75	77	74	77	69	72	72
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	6%	9%	9%	7%	4%	4%	4%	3%	5%	4%	5%	5%	5%
Prices won't come down; are going higher	11	12	14	17	17	16	10	12	10	9	12	10	10
Interest rates low; credit is easy	16	23	28	22	16	10	6	4	7	5	9	7	5
Good investment	5	6	10	9	8	7	6	7	10	7	8	6	6
BAD TIME TO BUY:													
Prices are high	27	30	26	29	27	28	28	32	31	32	30	28	30
Interest rates are high; credit is tight	66	53	41	50	56	66	77	76	73	76	66	71	71
Lack of purchasing power	10	15	12	11	12	11	12	10	14	13	12	11	13

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

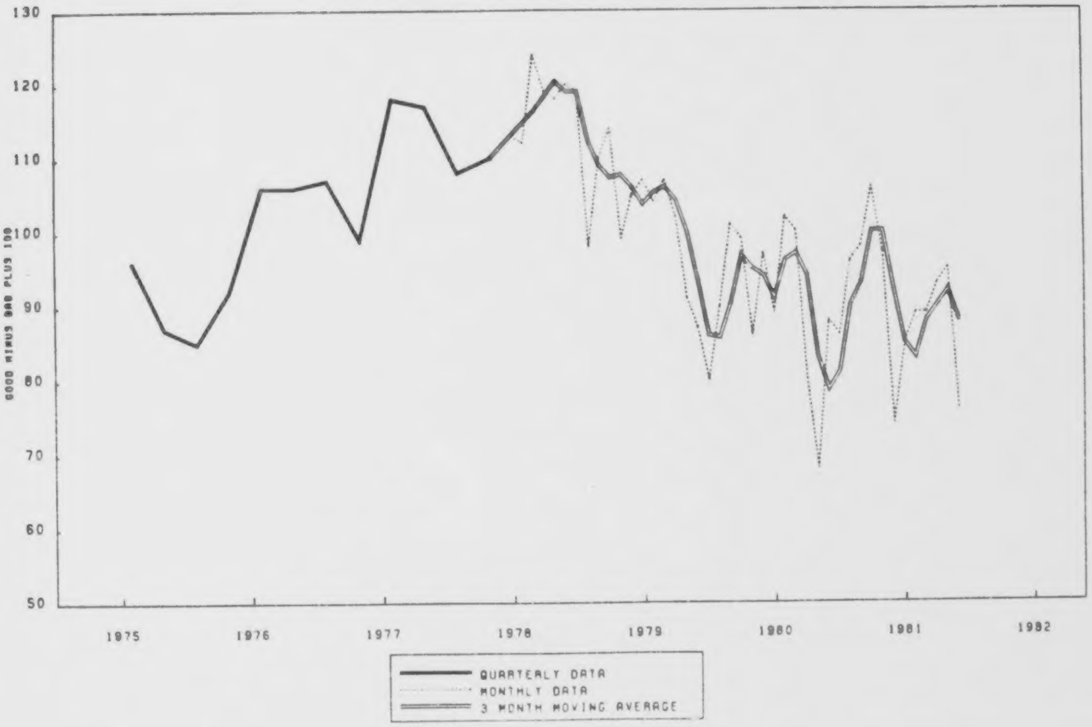

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

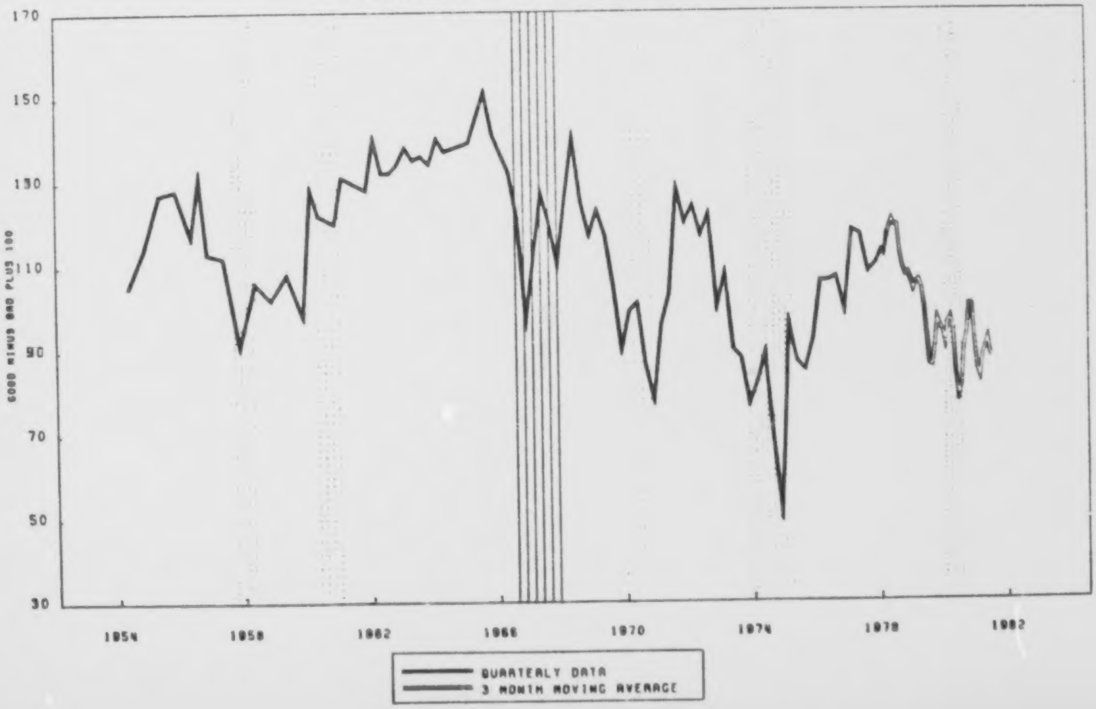

TABLE 30

BUYING CONDITIONS FOR CARS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY	37%	36%	42%	42%	45%	41%	33%	36%	39%	39%	42%	44%	33%
UNCERTAIN; DEPENDS	14	14	12	14	16	15	8	13	11	11	9	7	10
BAD TIME TO BUY	49	50	46	44	39	44	59	51	50	50	49	49	57
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	25%	24%	20%	17%	17%	13%	18%	22%	30%	25%	23%	14%
Prices won't come down; are going higher	9	13	12	19	17	16	12	13	12	10	19	15	12
Interest rates low; credit is easy	3	4	4	4	3	3	4	5	3	2	3	4	2
New fuel efficient models	5	3	7	9	12	7	5	4	4	6	4	5	5
BAD TIME TO BUY:													
Prices are high	24	27	27	31	23	28	31	33	31	34	31	33	34
Interest rates are high; credit is tight	22	11	11	10	14	17	29	28	27	21	22	17	28
Lack of purchasing power	6	9	9	6	8	7	9	7	7	10	8	6	6
Price of gas; shortages	9	6	5	5	4	4	5	4	8	6	5	3	2
Poor selection; quality	10	13	13	11	13	10	12	9	9	9	8	10	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
PROBABLY WILL BUY	12%	17%	16%	16%	15%	17%	14%	15%	16%	14%	15%	17%	17%
CHANCES ARE EVEN	8	5	7	6	7	6	6	8	7	6	8	9	8
PROBABLY WILL NOT BUY	68	67	61	70	67	66	67	66	62	67	65	63	66
DK, NA	12	11	16	8	11	11	13	11	15	13	12	11	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	688	668	658	682	685	694	684	698	668	703	690	667	675

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	20%	22%	23%	22%	22%	23%	20%	23%	23%	20%	23%	26%	25%
PURCHASE TYPE:													
Buy new	9	10	8	11	12	11	8	11	10	9	11	11	10
Buy used	7	11	12	9	7	9	9	8	10	9	10	12	11
Lease	1	1	1	1	2	*	1	1	1	1	1	1	2
DK,NA	3	*	2	1	1	3	2	3	2	1	1	2	2
PURCHASE TIMING:													
Next 3 months	1	5	3	1	3	4	2	3	1	1	5	5	2
Next 4-6 months	6	5	5	6	4	3	3	5	6	4	8	5	7
Next 7-9 months	5	3	4	2	7	6	5	6	7	5	5	7	7
10 months or more	5	4	4	4	4	4	5	4	3	5	2	3	5
DK,NA	3	5	7	9	4	6	5	5	6	5	3	6	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	68%	67%	61%	70%	67%	66%	67%	66%	62%	67%	65%	63%	66%
PURCHASE TYPE:													
Would buy new	38	40	35	38	44	38	37	35	33	34	39	37	37
Would buy used	27	24	24	30	20	26	27	29	28	28	24	25	27
DK, NA	3	3	2	2	3	2	3	2	1	5	2	1	2
PURCHASE TIMING:													
Less than 2 years	6	4	6	5	5	6	7	6	5	6	9	6	5
2 years	21	20	18	23	20	23	20	17	23	23	19	22	20
3 years	11	10	8	12	15	11	12	12	9	9	9	10	11
4 years or more	20	21	21	18	15	15	18	19	16	19	22	15	20
Indefinite	3	4	4	4	3	5	3	5	3	3	3	4	5
DK, NA	7	8	4	8	9	6	7	7	6	7	3	6	5

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

/

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June 26, 1981

JUNE 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CROSSCURRENTS ERODE RECENT GAINS

** In the June 1981 survey, the Index of Consumer Sentiment was 73.1, down 3.2 Index points from the May reading, but 14.4 Index points above the year earlier level. Despite the small monthly decline, the second quarter 1981 surveys taken as a whole indicate an improved outlook from the first quarter of 1981. Expected decreases in the rate of inflation and a continued concern with high interest rates have on balance prompted some improvement in the general outlook for business conditions. These same cross-currents in expectations, however, have depressed favorable attitudes toward buying conditions.

** Among families with incomes of $25,000 or more, the Index was 82.9 in June, down from 85.0 in May, but nearly 20 Index points above the year-earlier reading.

** Business expectations for both the next 12 months and 5 years remained unchanged during the past several months. While both were on balance unfavorable in June 1981, the proportion that expected good times during the next 12 months rose to 41 percent, from 18 percent in June 1980 and the proportion expecting good times during the next five years was 33 percent, up from 22 percent in June 1980. Renewed confidence in government economic policies was the major factor responsible for the improvement in business expectations.

** The rate of inflation expected by consumers during the year ahead fell to 6.6% in June 1981, from 7.6% in May, and 8.1% in June 1980. The June 1981 figure was the first monthly survey to record an expected inflation rate of less than 7% in more than three years. Interest rate expectations improved somewhat during the past month, with the proportion that expect interest rate declines in the year ahead increasing to 30 percent in June 1981, from 26 percent in May. Unlike price expectations, interest rate expectations are considerably less favorable than year earlier readings. In June 1981, 38 percent of all families expected further increases in interest rates, up from 21 percent in June 1980. On balance, consumers more frequently expected interest rate increases rather than declines during the year ahead.

** Favorable attitudes toward buying conditions for autos, houses and household durables each declined in the June 1981 surveys from the May readings. High interest rates remained the dominant unfavorable force in all three markets.

* * *

By mid year 1981, consumer sentiment had improved by a substantial margin, despite the recent erosion in sentiment. The improvement has been uneven, however, with much of the gain based on expected improvement rather than actual developments. During the past six months, the major source of this optimism has been renewed confidence in the economic policies proposed by the administration. In the June 1981 survey, some erosion in confidence was recorded. Although expected inflation rates have declined, interest rate expectations hve not, and this heightened concern with the real cost of credit has stifled favorable buying attitudes.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

Consumers' attitudes toward their current financial situation were somewhat less favorable in June 1981 than one month earlier. Among all families, 40 percent reported in June 1981 that their personal financial situation had worsened during the past year, up from 36 percent in May, but below the 47 percent recorded in June 1980. In each survey conducted during the past two years, the proportion that reported a worsened financial situation has consistently exceeded the proportion that reported improvement.

Expected improvements in personal finances during the year ahead were also reported somewhat less frequently in June 1981 (32 percent), than one month earlier (34 percent). Expectations for future financial improvement, however, unlike the evaluations of their current situation, have posted significant gains during the past two years, with improvement rather than deterioration more frequently expected for more than a year now.

Business Conditions

Although current business conditions are still viewed more often as having worsened rather than improved during the past year, evaluations have continued to grow more optimistic in the June 1981 survey. Among all families, 31 percent reported that business conditions had improved during the past year, up from just 4 percent in June 1980. The proportion that reported a worsening economy fell to 49 percent (the first survey in more than two years to record less than 50 percent), from 90 percent in June 1980.

In June 1981 business conditions were expected to improve (36 percent) more frequently than worsen (19 percent) in the year ahead. Favorable business expectations increased rapidly during the last half of 1980, but since then have remained largely unchanged at greatly improved levels. When asked why they thought business conditions would improve or worsen, favorable references to the expected impact of government economic policies have dominated responses since the election of President Reagan. In June 1981, 25 percent of all respondents spontaneously referred to government economic policies when explaining their favorable business expectations, unchanged from the May reading, but below the 35 percent recorded in January 1981. Unfavorable references to government economic policies, however, increased somewhat in the June 1981 survey to 12 percent, up from 8 percent in May. Overall confidence in government economic policies to combat inflation and unemployment declined somewhat in the June 1981 survey. Among all families, 25 percent rated government economic policies favorably in June 1981, down from 30 percent in May. Despite this small decline, confidence in government economic policy remained more favorable in early 1981 than at any other time during the last decade.

Market Conditions

Attitudes toward market conditions for autos, houses, and household durables each declined in the June 1981 survey. Attitudes toward buying conditions for houses remained near record low levels in the June 1981 survey. Among all families, 72 percent rated buying conditions for houses as unfavorable, unchanged from May, and above the 66 percent recorded in June 1980. The past declines in price expectations have led to a decrease in buy-in-advance rationales, while at the same time, heightened concern with interest rates has prompted postponement of purchases. In comparison with four years earlier, buy-in-advance price rationales fell from 47 percent in the second quarter of 1977 to just 10 percent in the June 1981 survey, while unfavorable references to high interest rates rose from 10 percent in the second quarter of 1977, to 71 percent in the June 1981 survey.

The largest declines in buying attitudes in the June 1981 survey were recorded in attitudes toward market conditions for autos. Among all families, 33 percent rated buying conditions favorably in June 1981, down from 44 percent in May, and 37 percent in June 1980. Unfavorable evaluations of buying conditions for autos rose to 57 percent in June, above the 49 percent recorded both one-month and one-year earlier. When asked to explain their views, fewer respondents mentioned price reductions or rebates in June 1981 (14 percent) than in May (23 percent), and respondents more frequently referred to the negative impact of high interest rates in June 1981 (28 percent) than in May (17 percent). During the past several years, there have been only two surveys which recorded less favorable attitudes toward the auto market--in May 1980 and December 1980. A common element in each of these surveys was the frequency of references to high interest: In May 1980 and December 1980 the peak level of 29 percent was recorded, while in June 1981 the level reached 28 percent. In comparison with a year earlier, fewer respondents mentioned good buys at low prices (falling from 27 to 14 percent), while more frequently reported postponement due to high prices (from 24 to 34 percent).

Attitudes toward buying conditions for large household durables were less favorable in June 1981 than one month earlier, but somewhat more favorable than year earlier readings. Among all families, 44 percent rated buying conditions favorably for durables in June 1981, down from 50 percent in May, and above the

41 percent recorded in June 1980. When evaluating market conditions for household durables, unfavorable references to high interest rates reached 23 percent in June 1981, up from 18 percent in May.

* * *

The June 1981 survey contained 675 interviews, conducted between May 26 and June 22.

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JULY 1981

The July 1981 survey is the 154th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

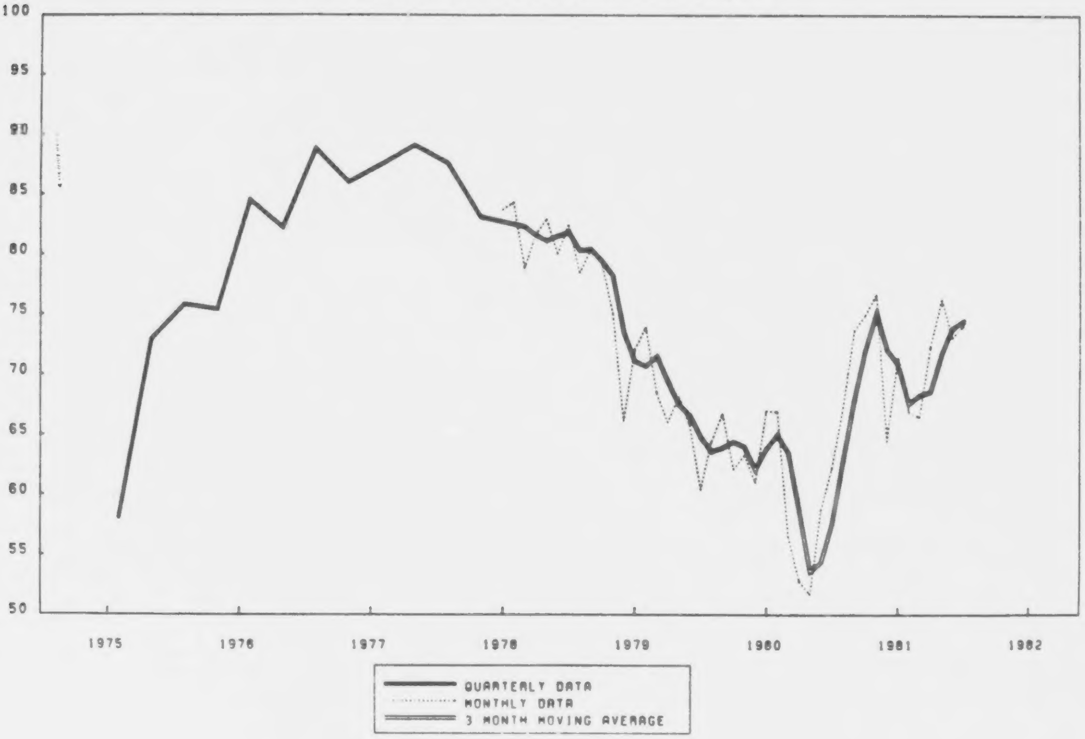


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

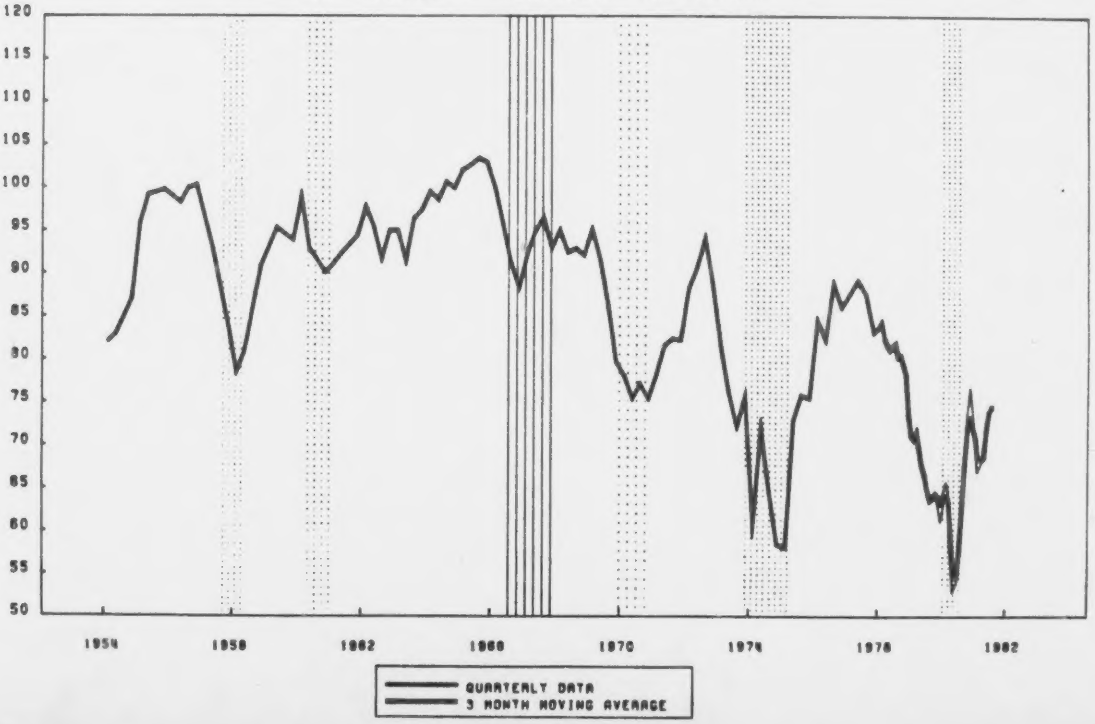


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0
June	1981	73.1	81.2	82.9
July	1981	74.1	80.8	82.1

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

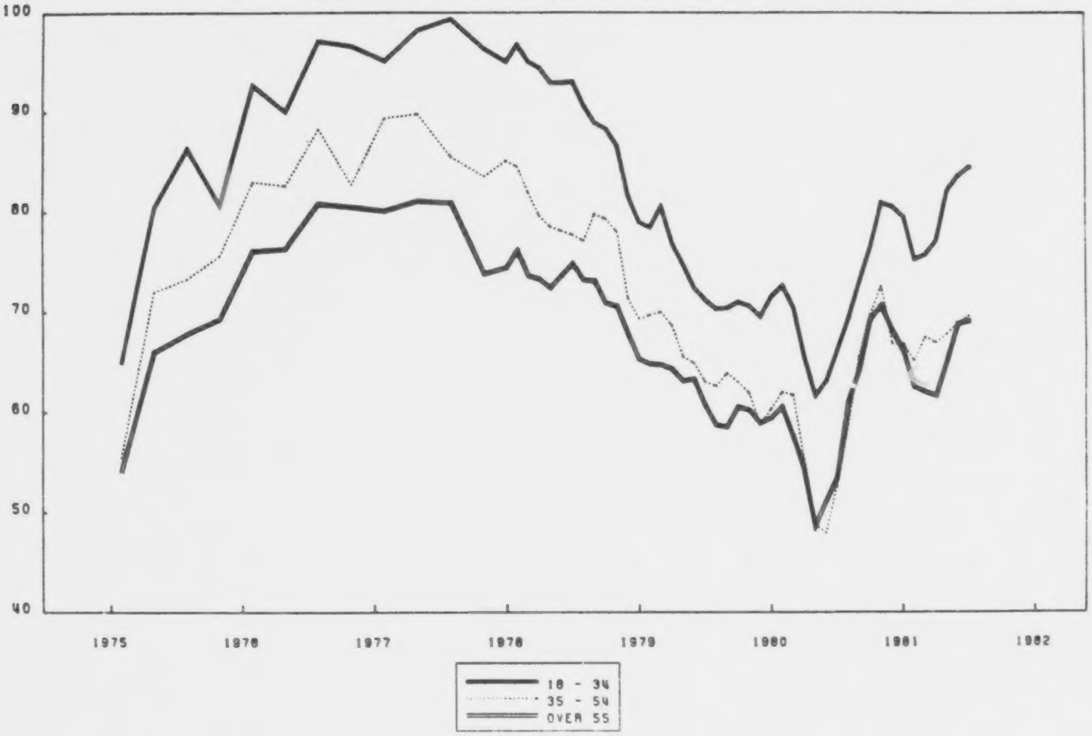


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

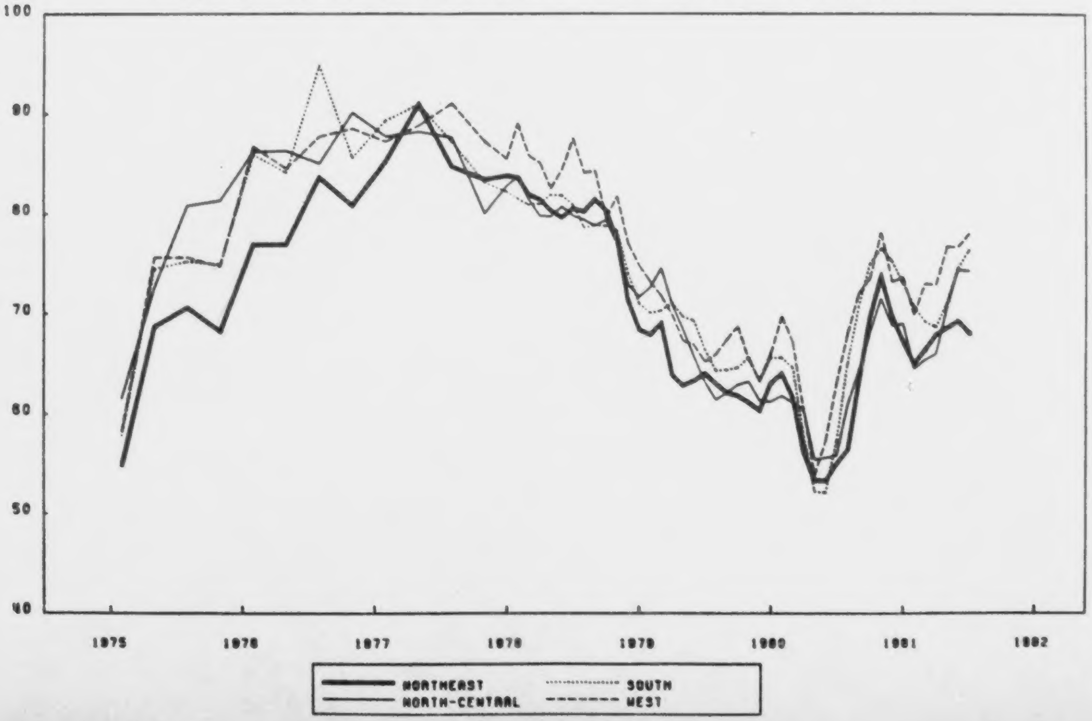


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July	1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

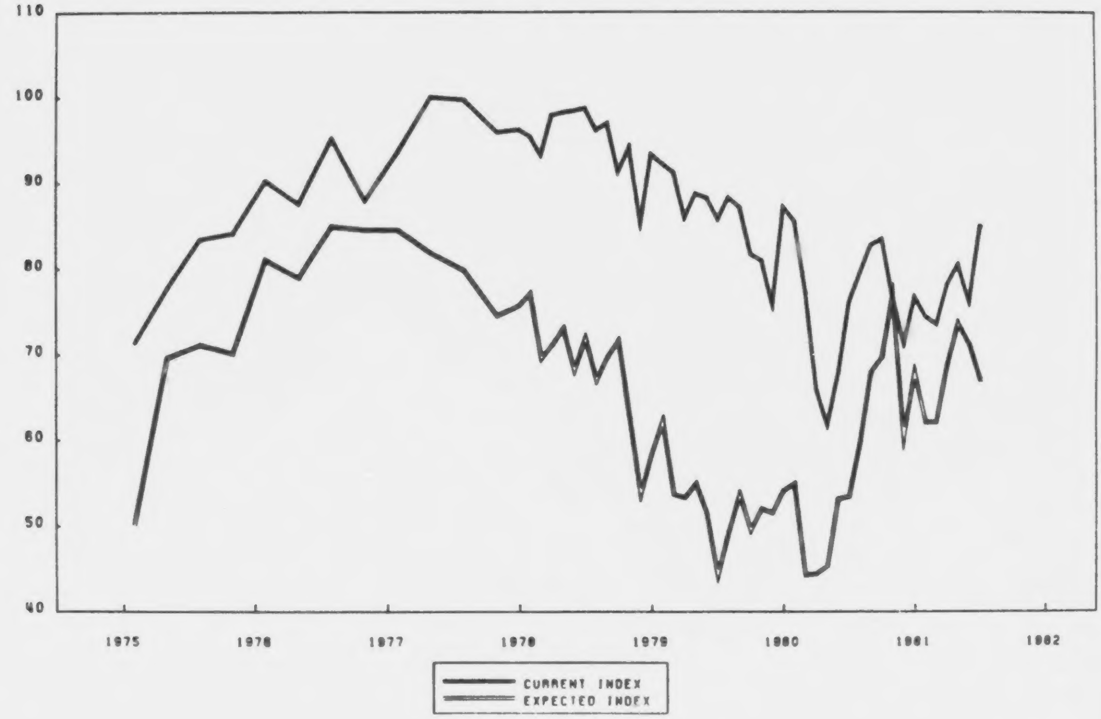


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

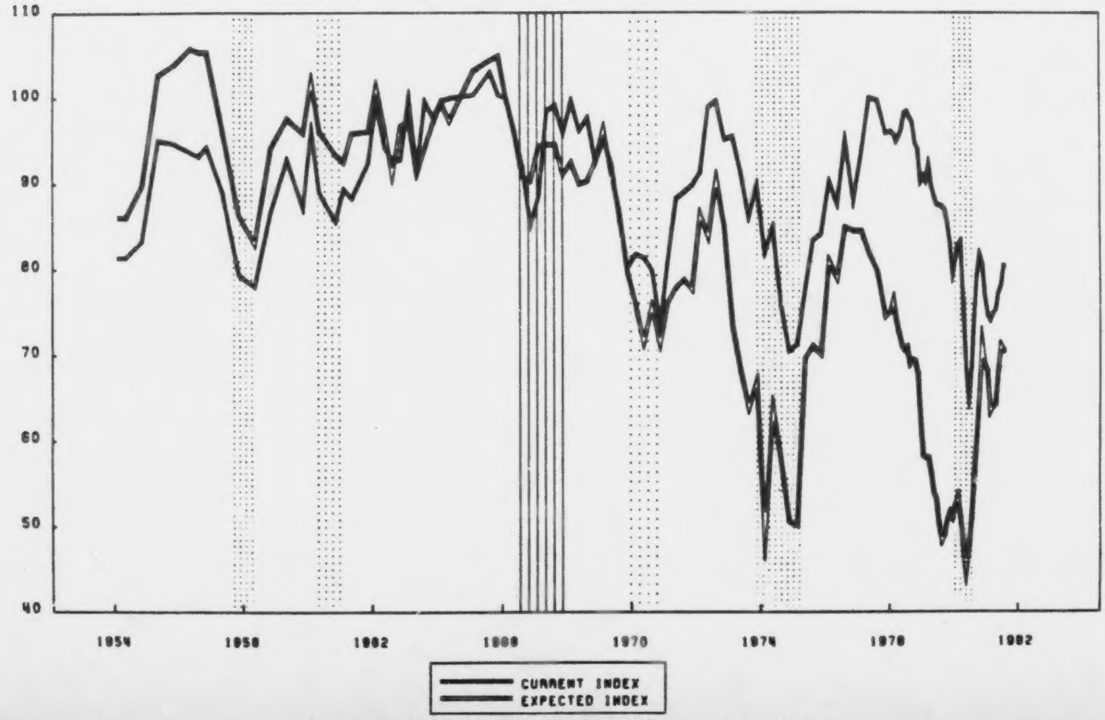


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

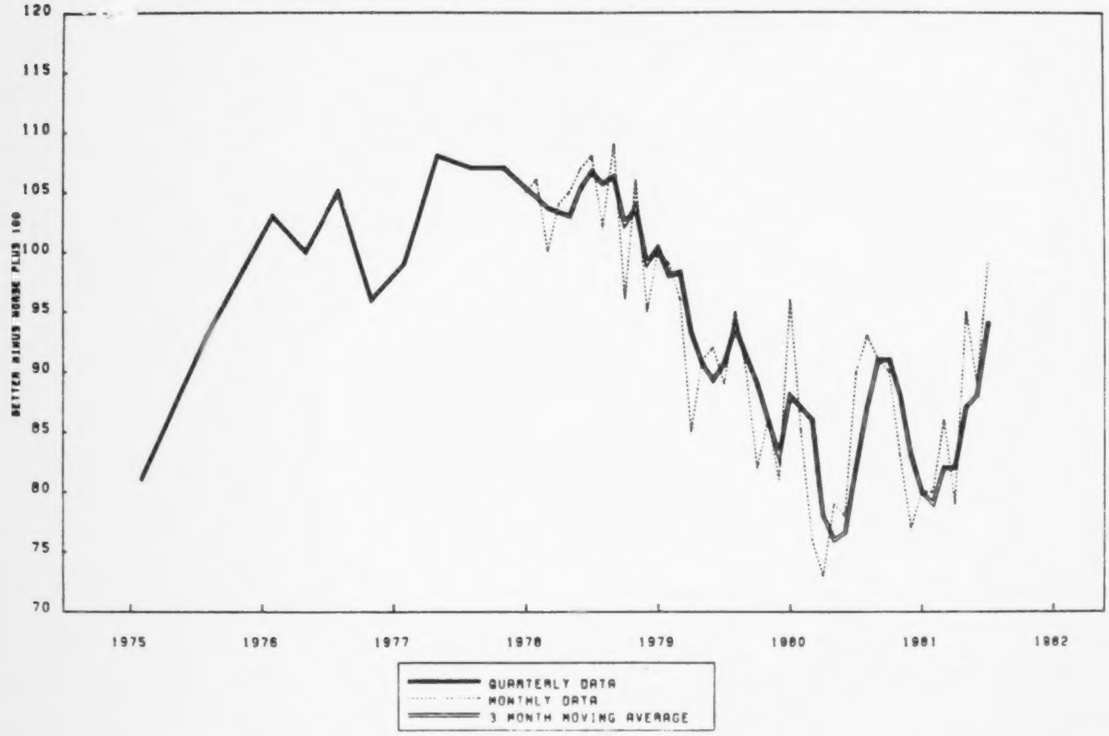


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

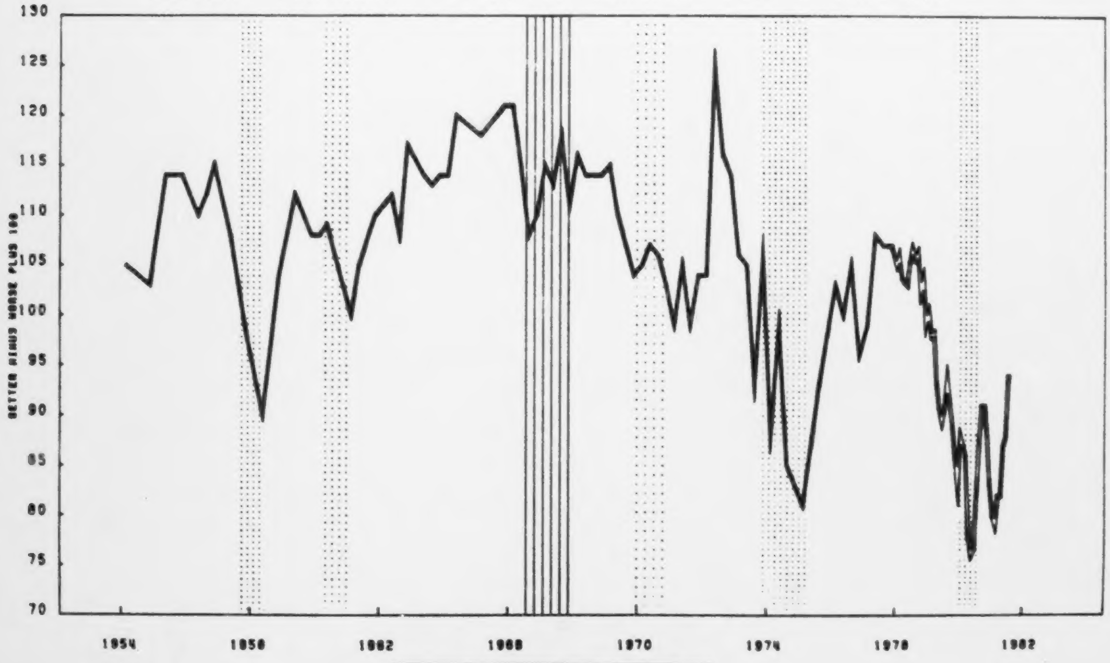


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF	30%	33%	31%	30%	28%	25%	25%	27%	29%	25%	31%	29%	34%
SAME	29	26	27	30	26	26	30	26	28	28	32	31	30
WORSE OFF	40	40	40	40	45	48	45	47	43	46	36	40	35
DK,NA	1	1	2	*	1	1	*	*	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

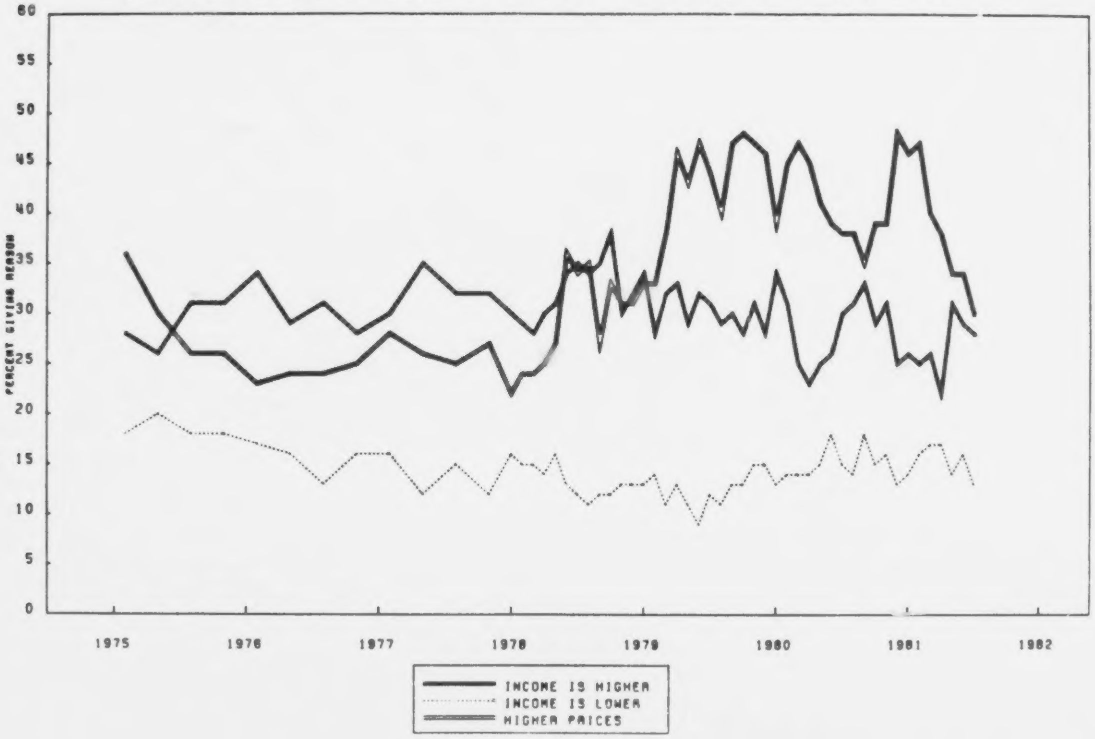


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

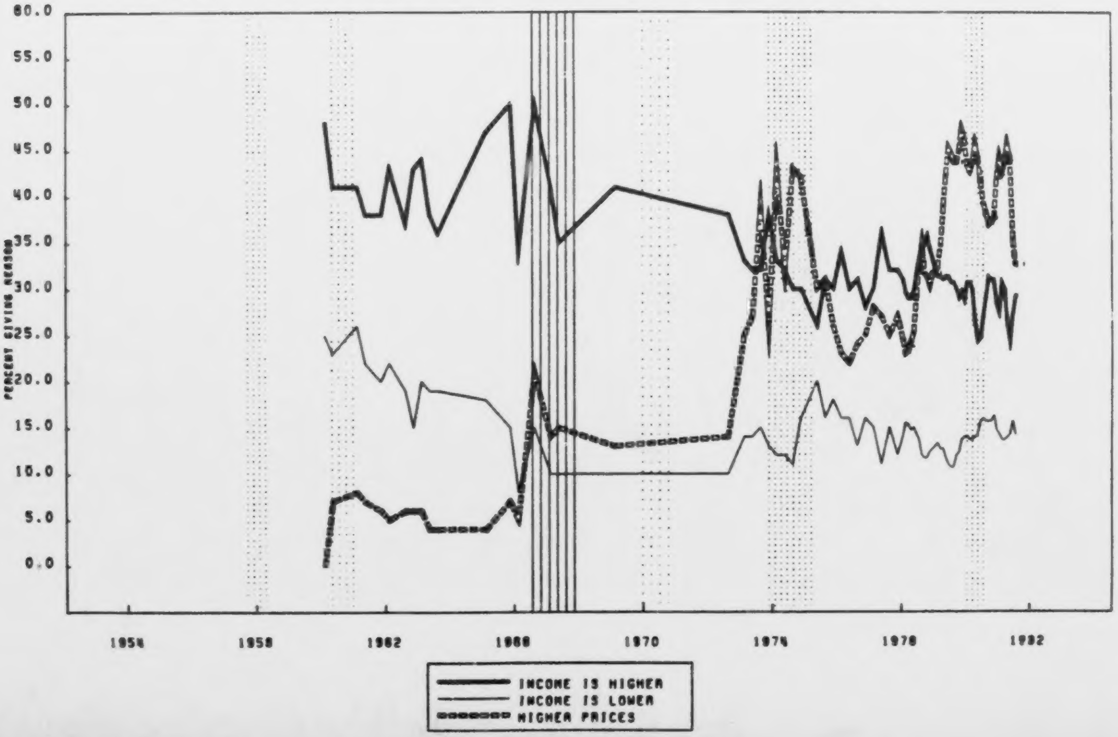


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	31%	33%	29%	31%	25%	26%	25%	26%	22%	31%	29%	28%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	18	15	16	13	14	16	17	17	14	16	13
Higher prices	38	38	35	39	39	48	46	47	40	38	34	34	30

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

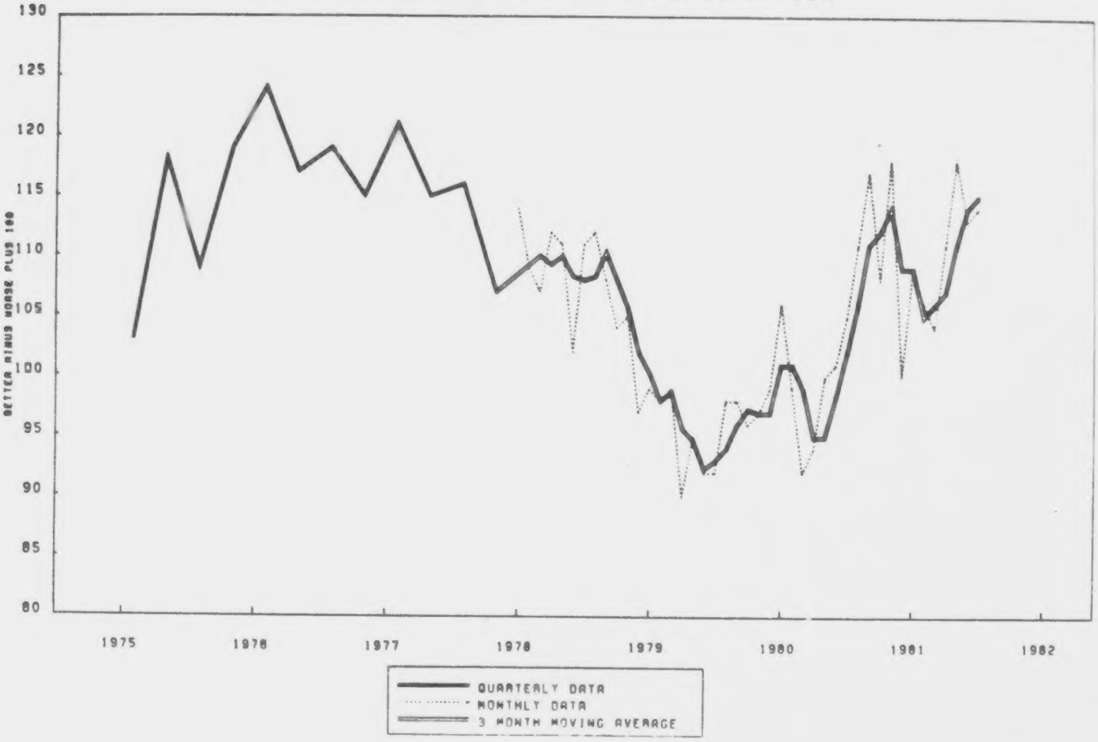


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

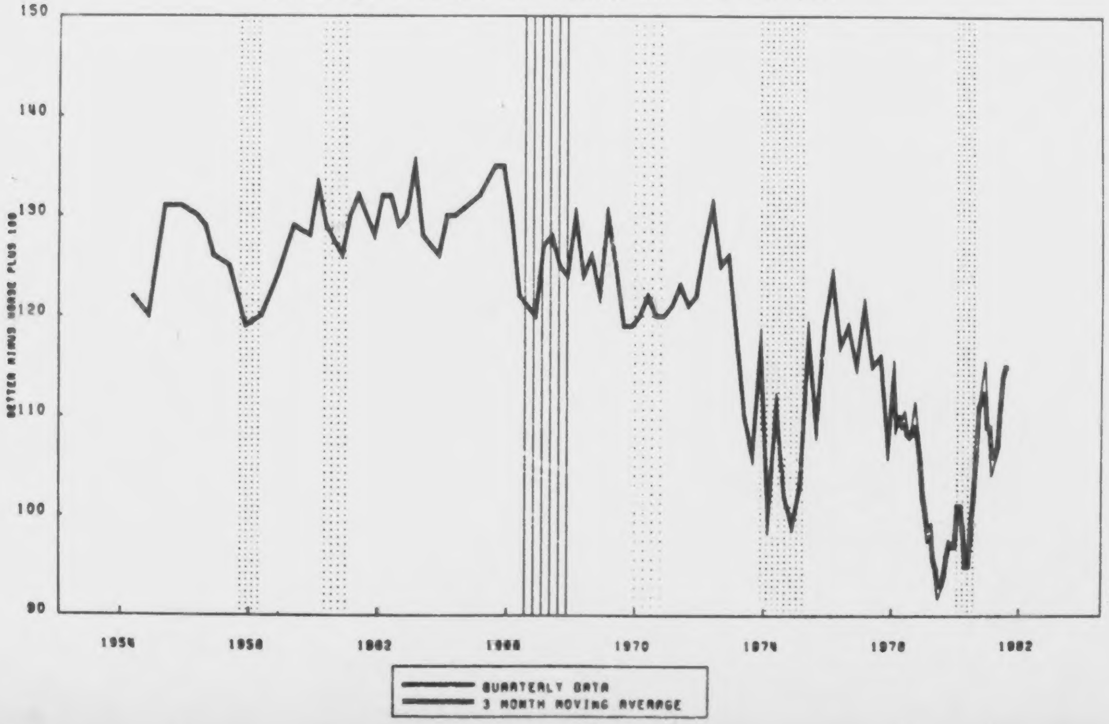


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF	26%	30%	34%	25%	35%	25%	27%	26%	28%	30%	34%	32%	29%
SAME	48	48	45	50	42	45	48	48	45	47	48	44	52
WORSE OFF	21	19	17	17	17	25	18	20	24	19	16	19	15
DK,NA	5	3	4	8	6	5	7	6	3	4	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

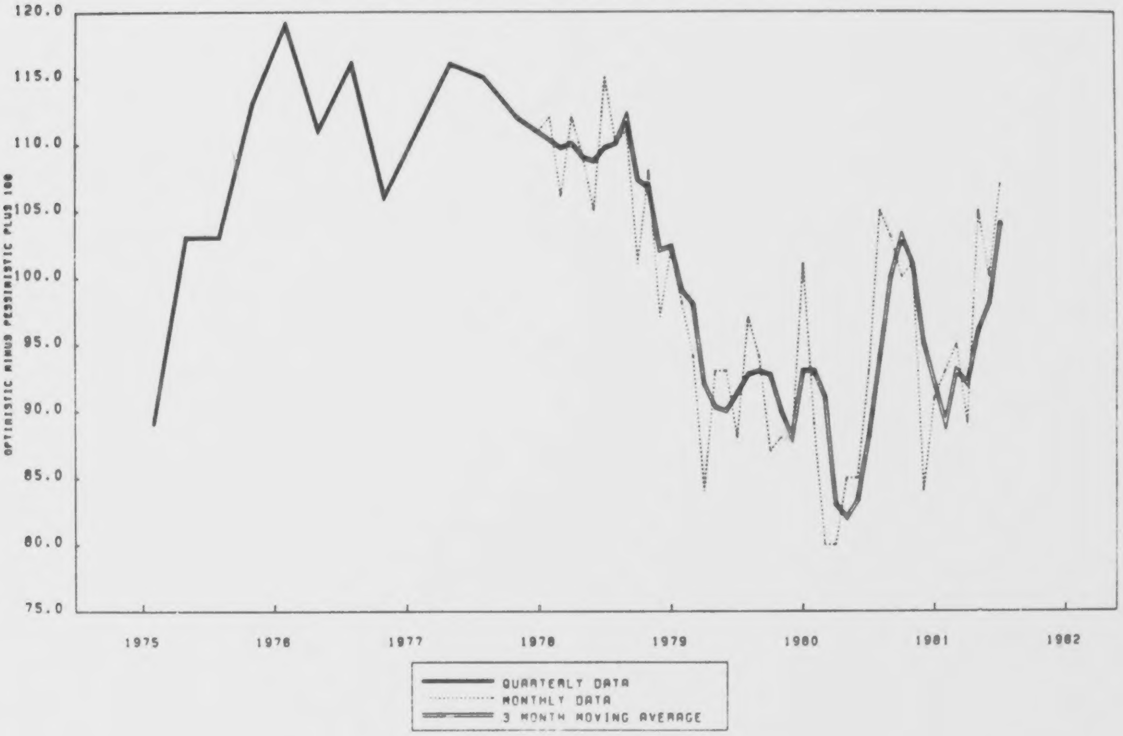


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

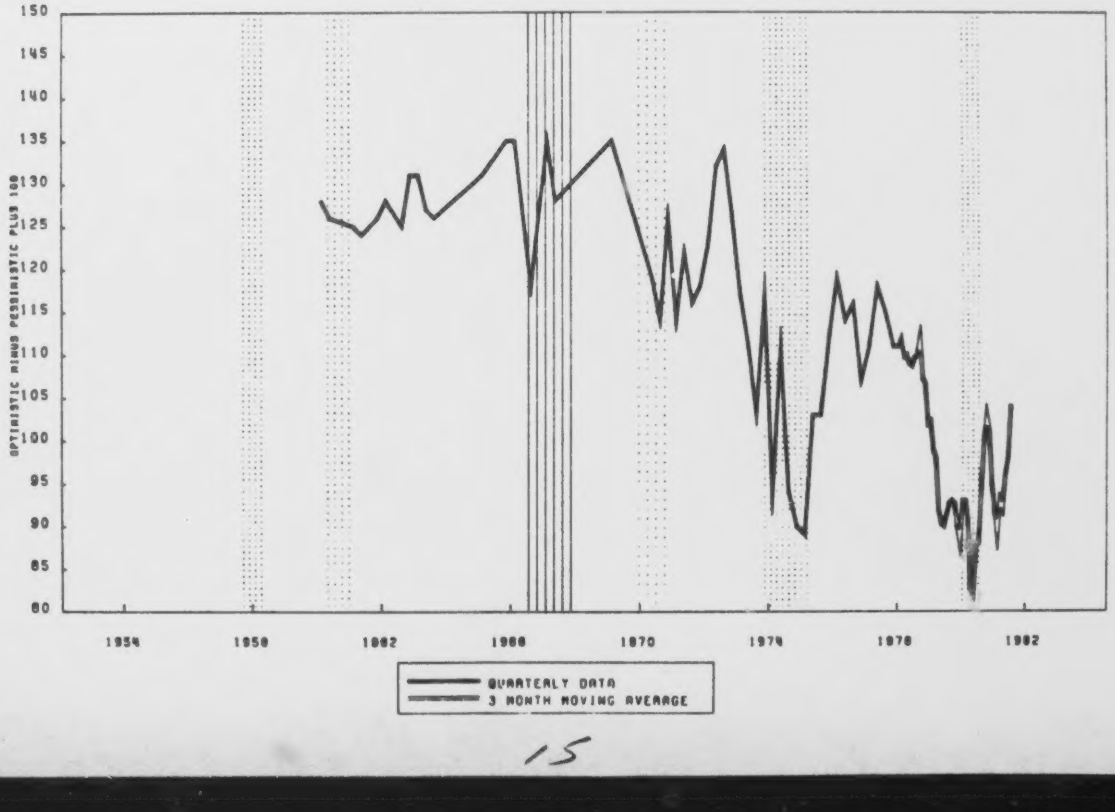


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	12%	14%	12%	13%	9%	10%	8%	12%	11%	15%	13%	15%
Intermittant increase (b)	19	22	19	20	19	18	17	20	19	16	23	22	22
Remain unchanged (c)	14	16	15	18	13	12	16	15	15	14	15	14	19
Intermittant decline (d)	28	17	21	21	22	28	25	23	22	27	25	24	21
Continuous decline (e)	10	12	9	11	9	15	11	12	14	11	8	11	9
Mixed change (f)	11	18	16	10	18	13	14	16	14	15	12	11	9
DK,NA	6	3	6	8	6	5	7	6	4	6	2	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

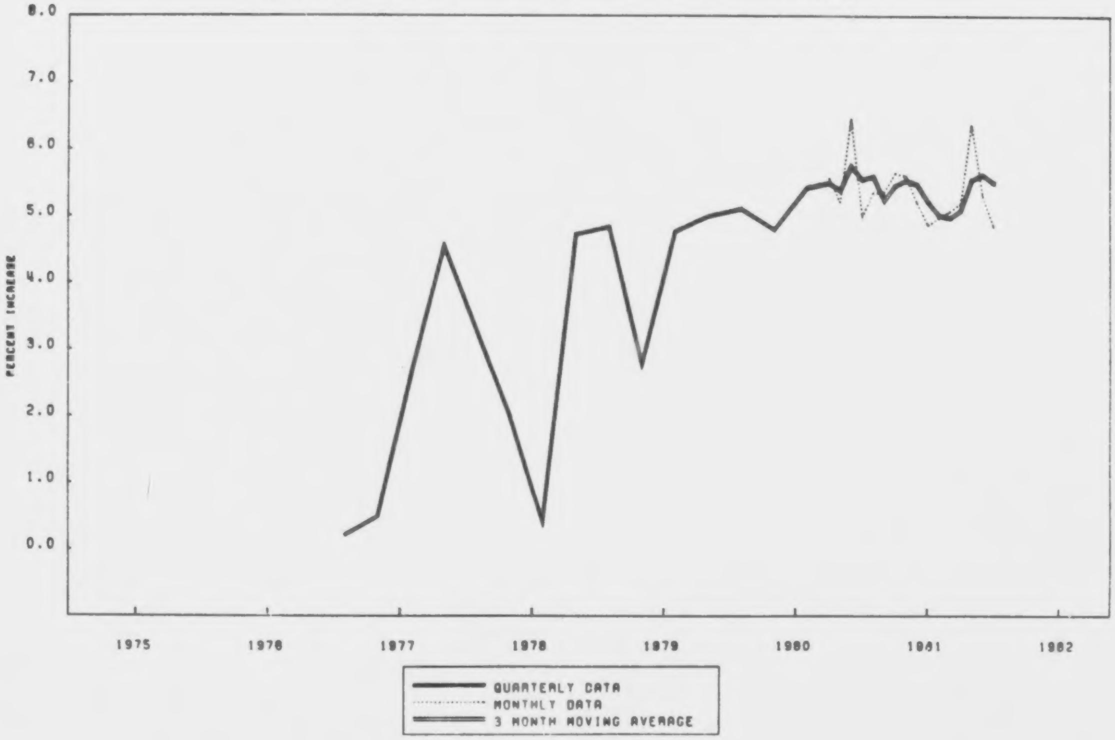


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
EXPECT INCREASE:													
1-4%	5%	6%	7%	8%	5%	8%	6%	8%	7%	6%	6%	6%	7%
5%	8	10	7	7	10	7	8	7	9	8	10	10	7
6-9%	11	15	16	15	10	12	10	10	11	11	11	10	10
10-24%	20	20	21	21	26	22	21	20	21	22	28	25	21
25% or more	5	6	5	7	7	7	6	7	7	7	8	7	10
DK how much up	10	9	10	10	8	8	9	9	9	9	7	7	5
EXPECT SAME	21	21	21	21	24	22	24	24	21	25	19	21	24
EXPECT DOWN	18	11	10	9	7	11	12	11	12	10	8	11	13
DK,NA	2	2	3	2	3	3	4	4	3	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

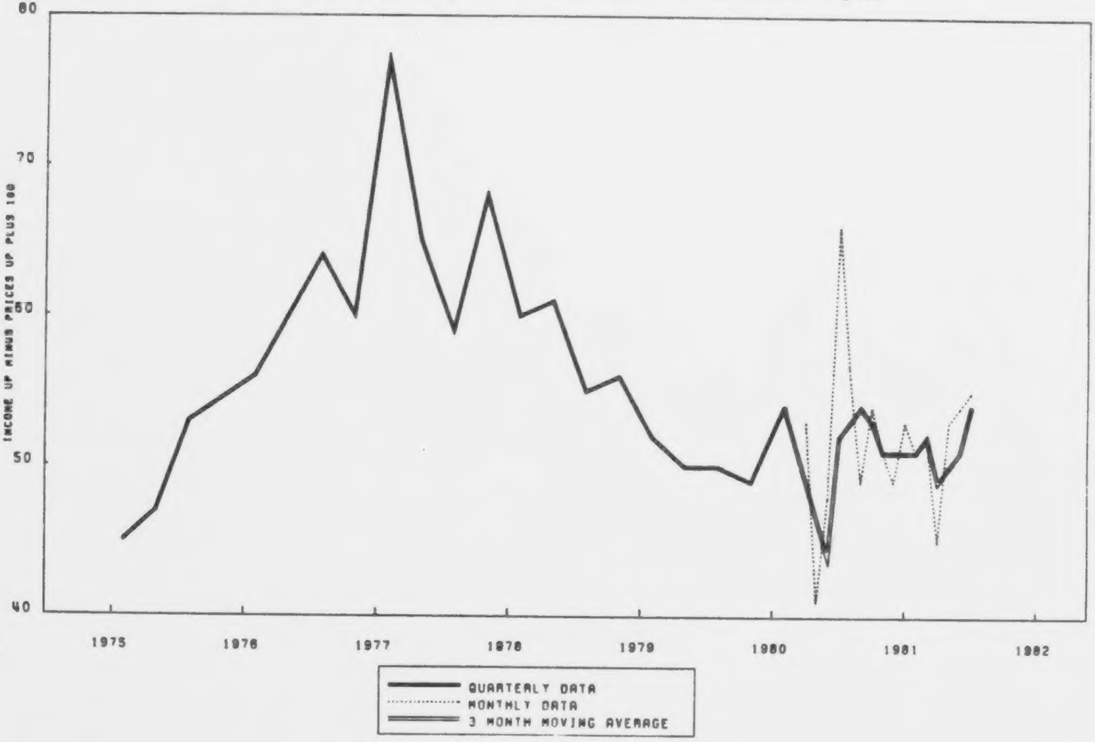


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
INCOME UP MORE	12%	13%	12%	13%	10%	11%	13%	10%	13%	9%	12%	13%	13%
INCOME UP SAME	30	29	24	25	30	24	25	28	24	26	28	26	25
PRICES UP MORE	56	57	63	59	59	62	60	59	61	64	59	59	58
DK,NA	2	1	1	3	1	3	2	3	2	1	1	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

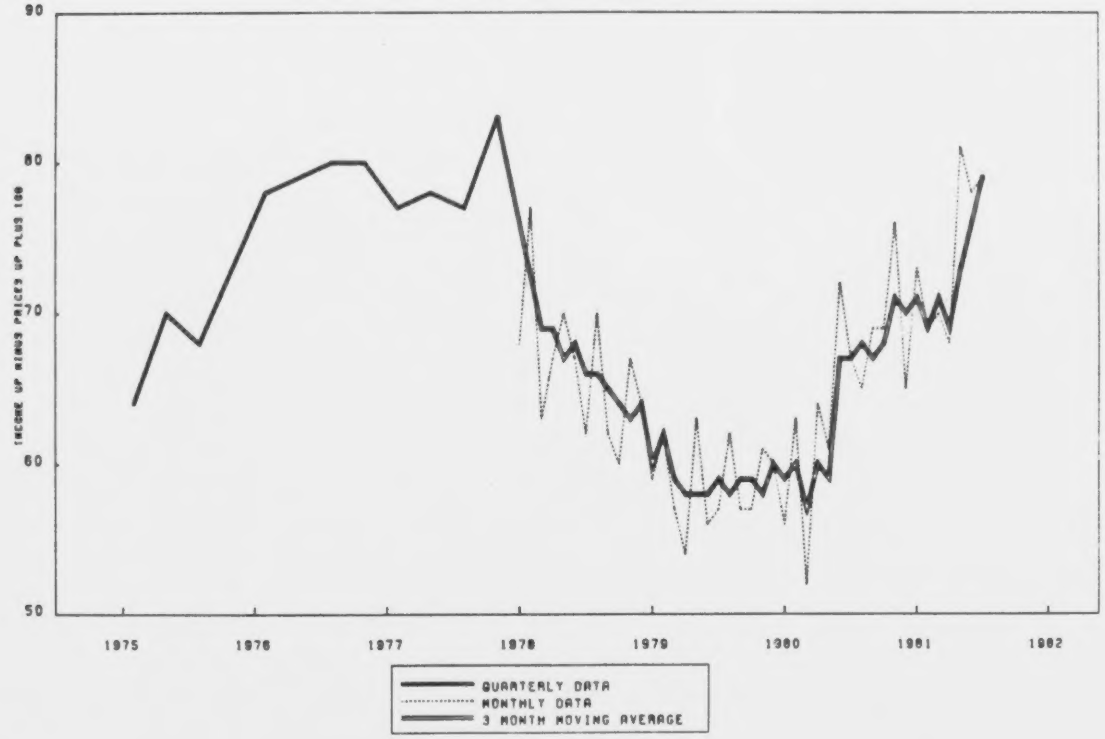


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
INCOME UP MORE	12%	11%	14%	12%	16%	12%	14%	11%	14%	13%	19%	16%	17%
INCOME UP SAME	38	40	38	42	42	36	39	43	38	39	41	43	41
PRICES UP MORE	45	46	45	43	40	47	41	42	44	45	38	38	38
DK,NA	5	3	3	3	2	5	6	4	4	3	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

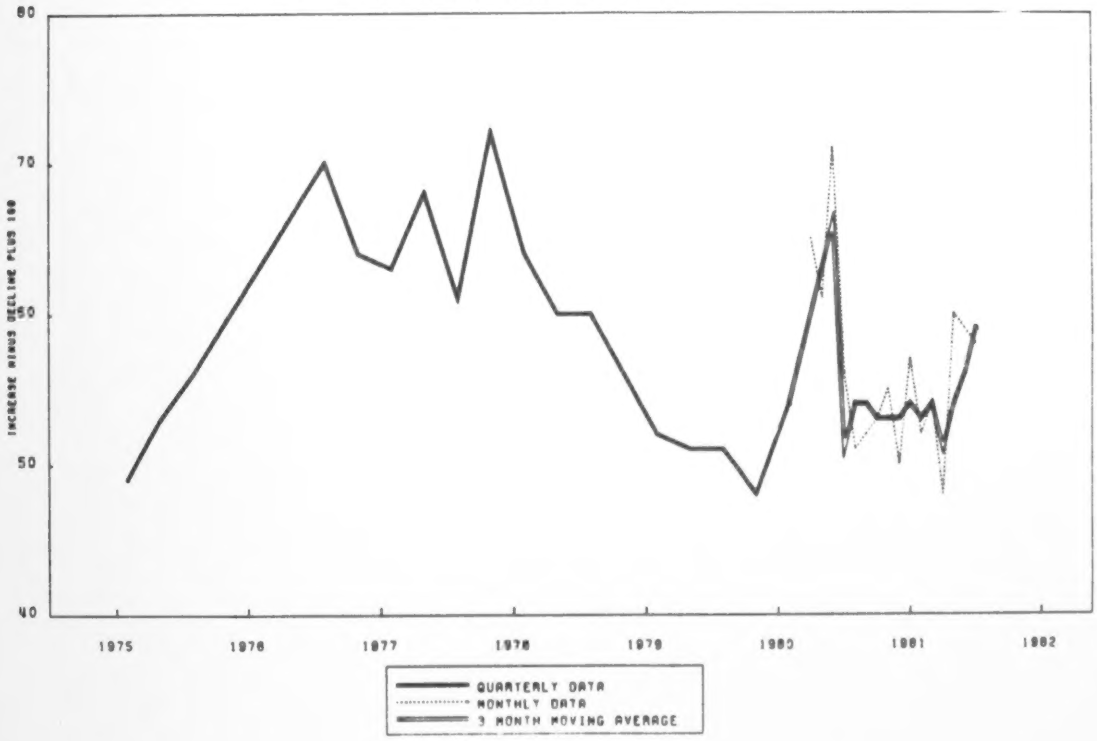


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	3%	5%	6%	6%	5%	6%	4%	6%	4%	6%	6%	8%
Intermittant increase (b)	9	11	9	6	9	7	8	8	9	7	10	10	7
Remain unchanged (c)	17	17	14	18	17	14	17	18	14	17	16	17	16
Intermittant decline (d)	23	22	23	25	27	24	22	25	26	25	25	25	25
Continuous decline (e)	35	37	39	34	33	38	35	35	35	38	31	32	32
Mixed change (f)	5	6	6	7	5	6	6	5	5	6	9	6	7
DK,NA	6	4	4	4	3	6	6	5	5	3	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

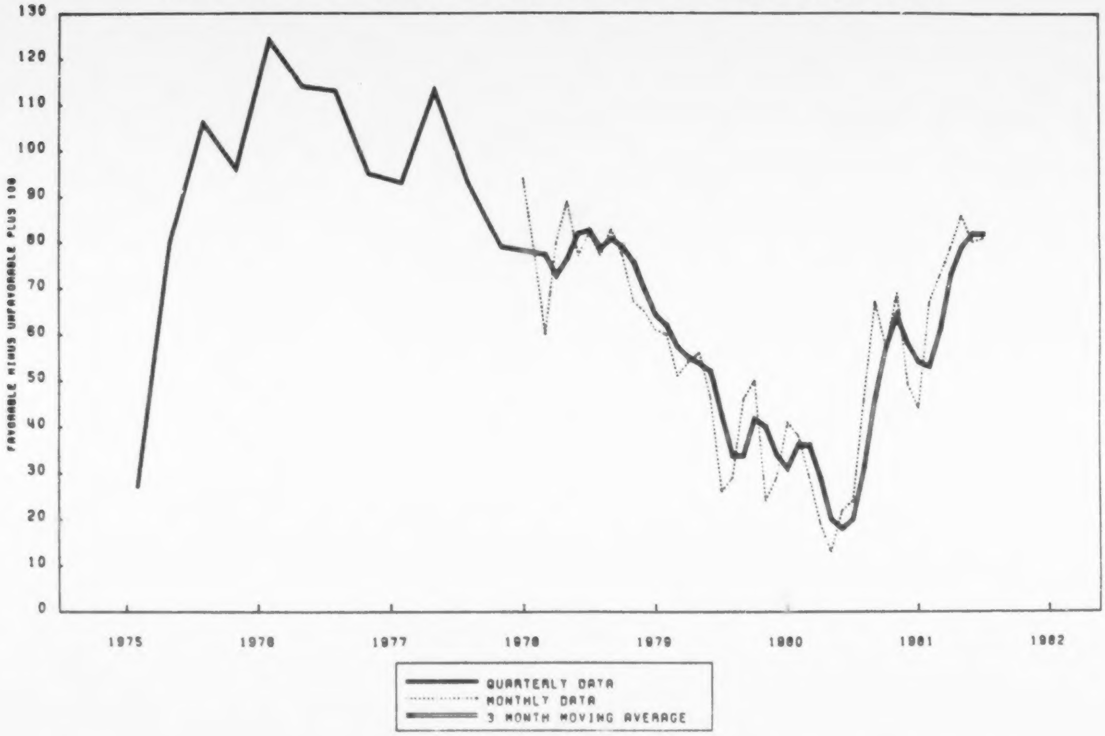


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

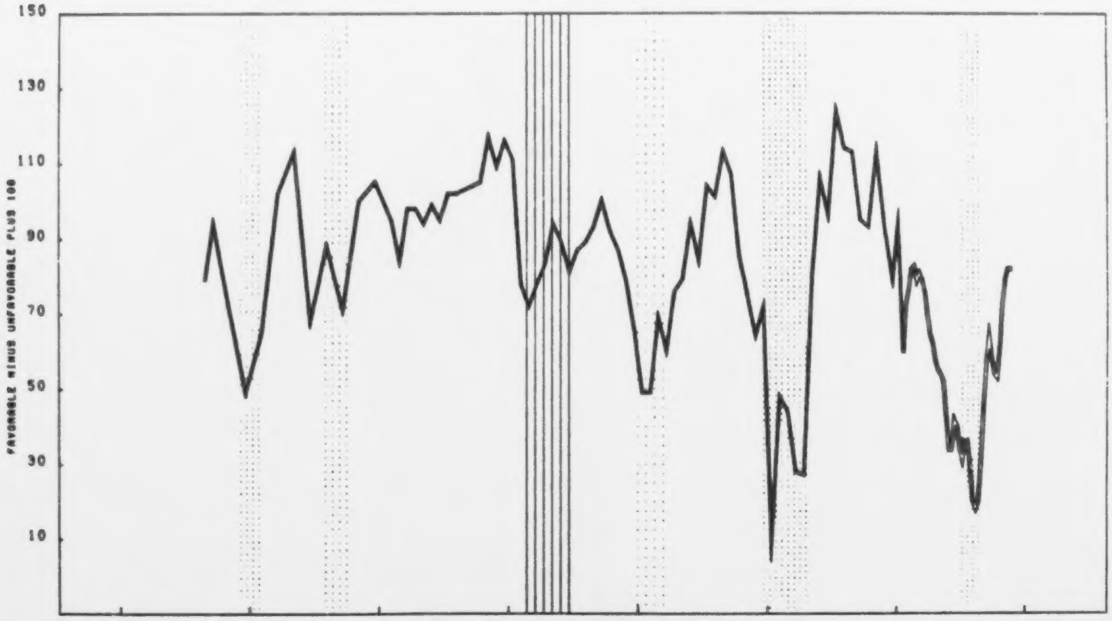


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE NEWS	19%	24%	30%	29%	27%	17%	19%	23%	30%	28%	31%	24%	27%
UNFAVORABLE NEWS	95	78	63	72	58	68	75	56	57	49	45	44	46
NO MENTIONS	30	34	38	33	47	44	39	46	42	47	47	52	51

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE NEWS:													
Government; elections	*	1%	2%	1%	7%	4%	4%	9%	9%	6%	4%	6%	4%
Employment	4	7	7	10	7	5	4	5	8	7	8	4	7
Consumer demand high	1	1	3	3	2	1	2	1	1	3	4	1	3
Prices are low	1	*	1	2	1	*	*	1	1	2	2	3	4
Credit is easy	7	8	7	3	1	*	3	3	4	5	2	2	2
UNFAVORABLE NEWS:													
Government; elections	4	3	1	4	3	2	4	5	7	7	4	4	5
Unemployment	43	31	25	26	21	18	19	15	19	19	14	16	16
Consumer demand low	12	12	8	8	8	11	14	9	10	6	6	3	4
Prices are high	12	13	10	10	9	8	11	10	6	6	4	5	5
Credit is tight	5	5	8	12	9	19	14	7	4	4	7	9	7
Energy crisis	1	1	*	1	*	1	1	*	1	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

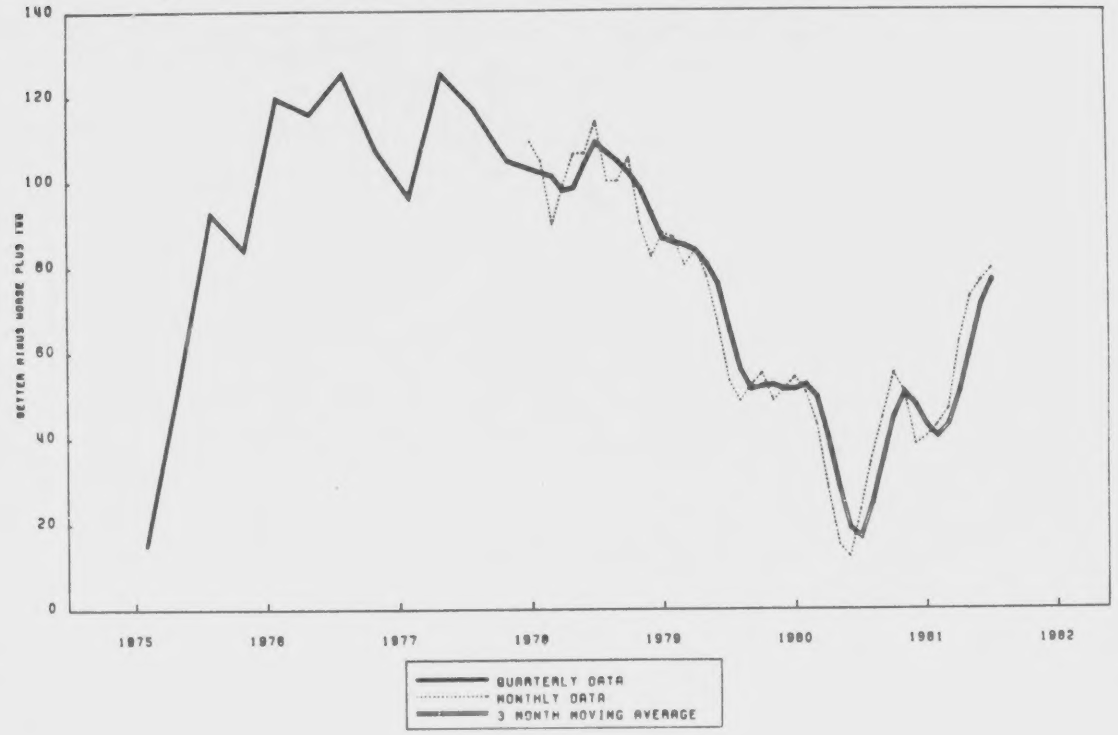


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

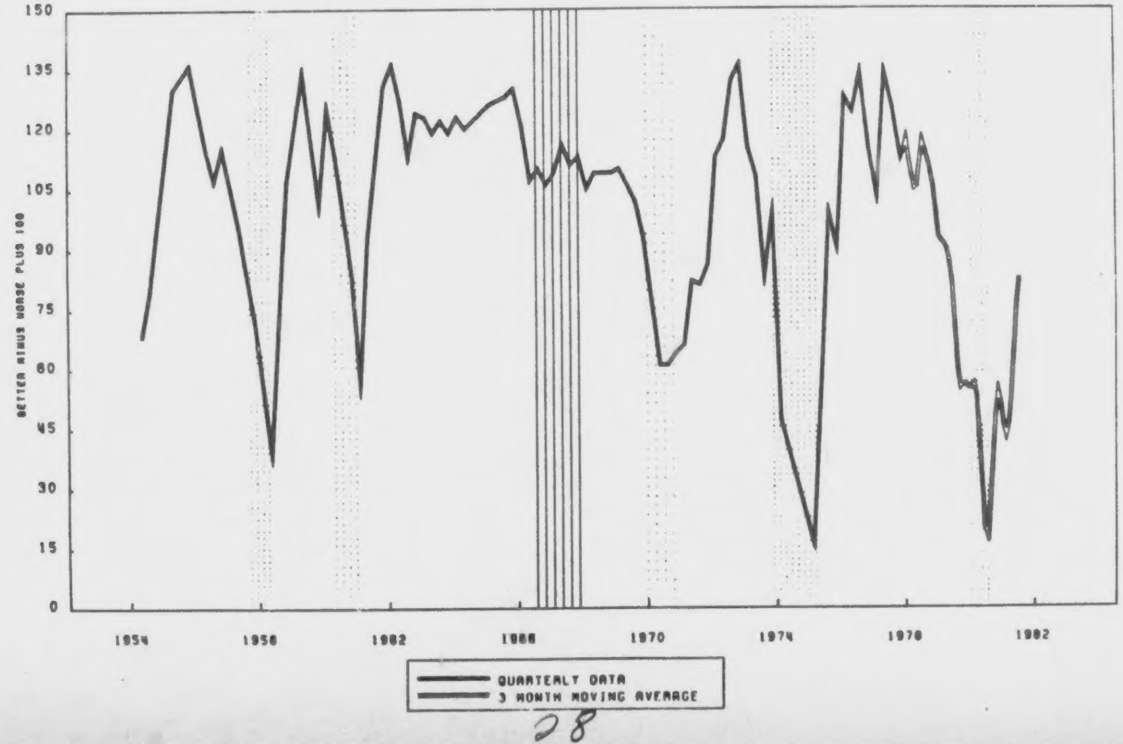


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER NOW	10%	15%	18%	23%	21%	13%	14%	14%	17%	24%	30%	31%	32%
SAME	4	7	10	10	10	12	13	15	14	17	17	18	18
WORSE NOW	85	77	70	64	67	72	71	68	67	57	52	49	47
DK,NA	1	1	2	3	2	3	2	3	2	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

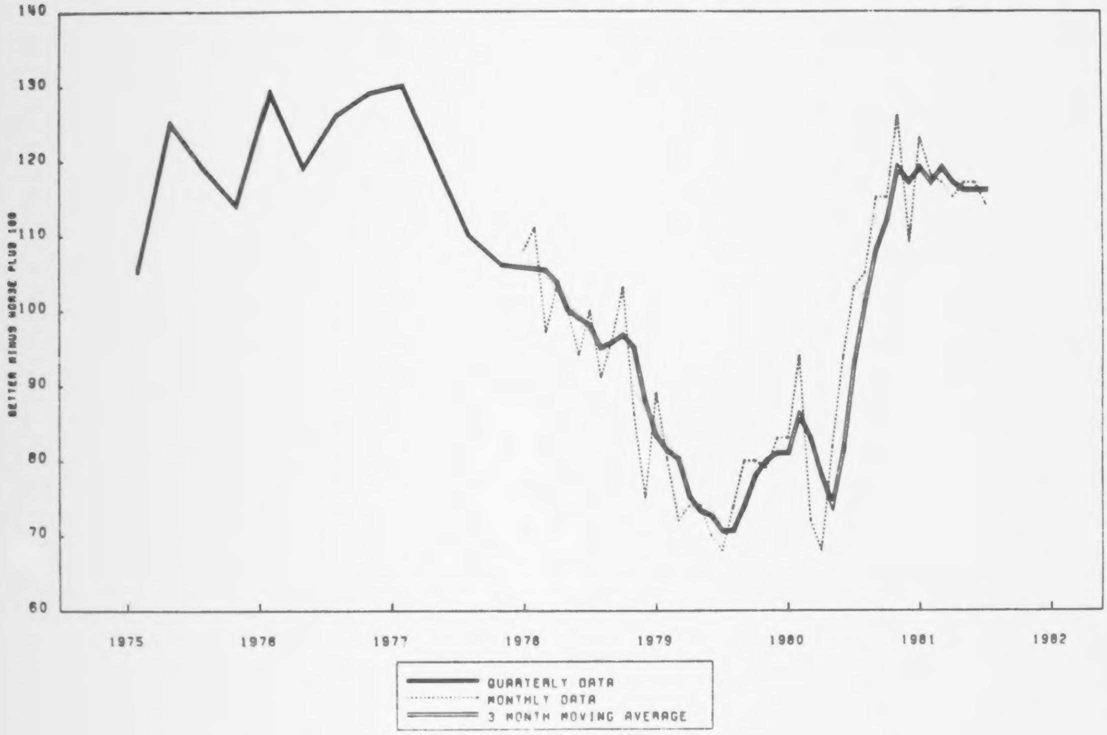


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

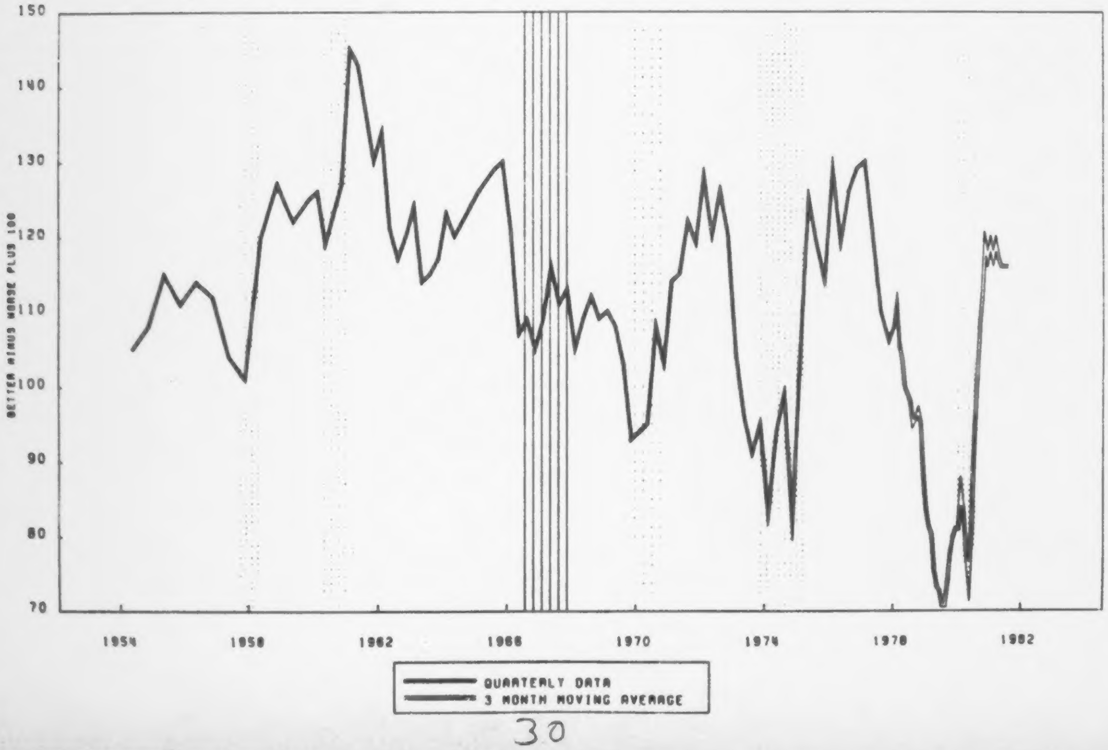


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER	28%	28%	32%	33%	40%	29%	39%	34%	38%	36%	36%	36%	34%
SAME	43	44	47	44	42	46	42	46	38	41	44	42	44
WORSE	25	23	17	18	14	20	16	16	21	21	19	19	20
DK,NA	4	5	4	5	4	5	3	4	3	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE REASONS:													
Government; elections	15%	14%	15%	16%	34%	27%	35%	32%	32%	31%	25%	25%	21%
Employment	4	4	5	5	5	3	4	2	4	4	4	3	3
Higher consumer demand	2	3	4	5	3	2	2	3	2	2	2	3	2
Lower prices	1	1	3	3	2	3	2	2	3	2	3	2	4
Easier credit	2	3	3	2	3	2	4	2	2	2	3	4	3
UNFAVORABLE REASONS:													
Government; elections	12	7	7	11	7	8	7	7	9	8	8	12	11
Unemployment	10	7	6	4	5	8	7	6	6	6	5	8	9
Lower consumer demand	6	7	3	2	2	6	5	4	4	5	4	4	5
Higher prices	9	14	10	10	8	10	8	12	8	10	6	8	7
Tighter credit	2	2	2	2	2	7	4	2	2	2	3	3	5
Energy crisis	1	1	1	1	1	*	1	1	1	*	*	1	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

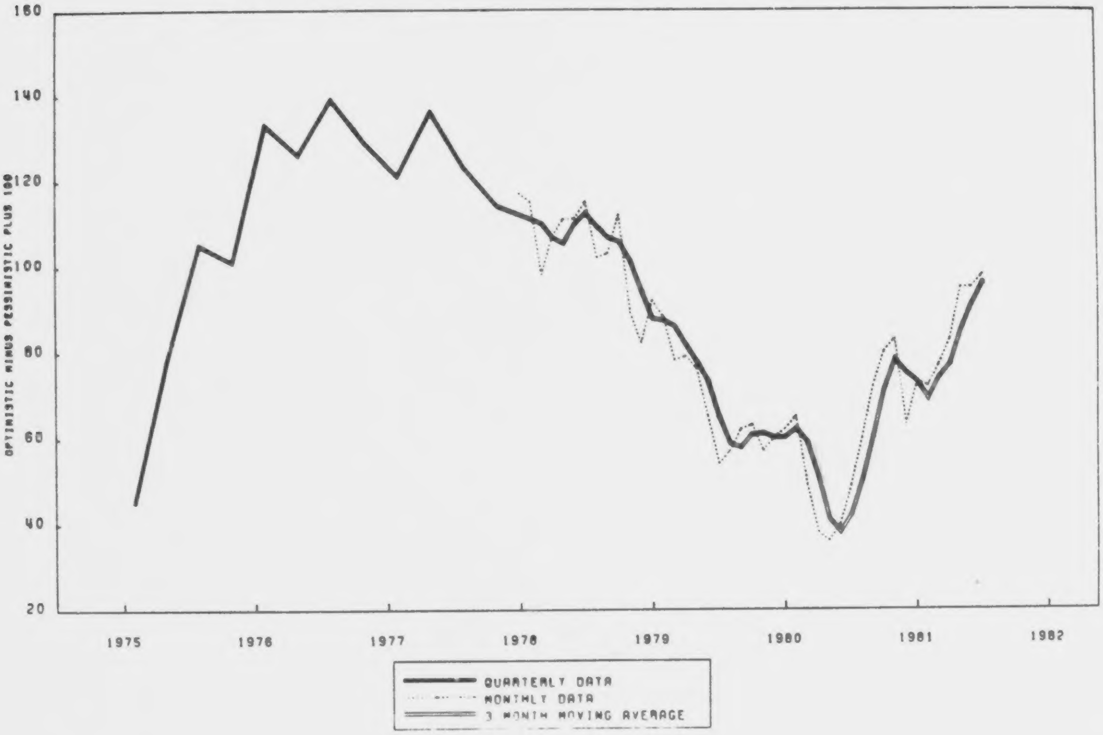


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

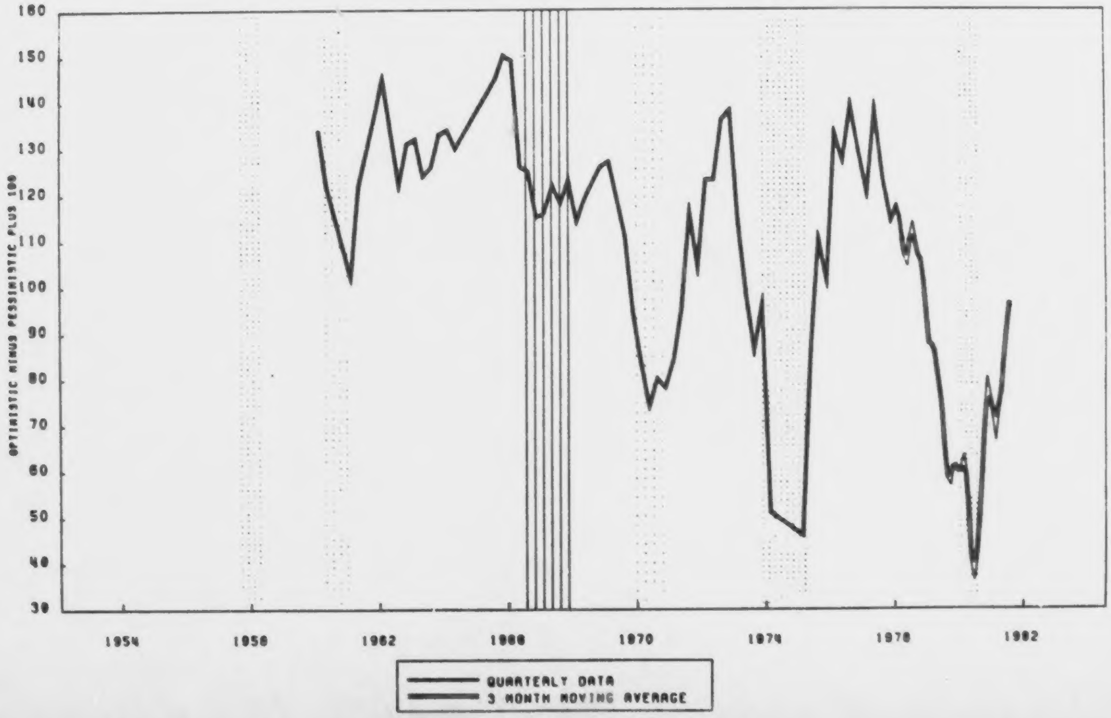


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
TREND:													
Continuous increase (a)	2%	5%	9%	9%	11%	5%	6%	7%	9%	15%	14%	19%	15%
Intermittant increase (b)	7	9	10	13	14	10	11	12	12	13	17	16	21
Remain unchanged (c)	1	3	6	5	4	5	7	7	6	8	10	8	8
Intermittant decline (d)	37	35	33	28	29	36	30	33	27	29	24	25	24
Continuous decline (e)	23	19	14	14	13	16	14	14	17	16	12	15	14
Mixed change (f)	26	23	23	23	24	21	27	21	25	16	20	12	13
DK,NA	4	6	5	8	5	7	5	6	4	3	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

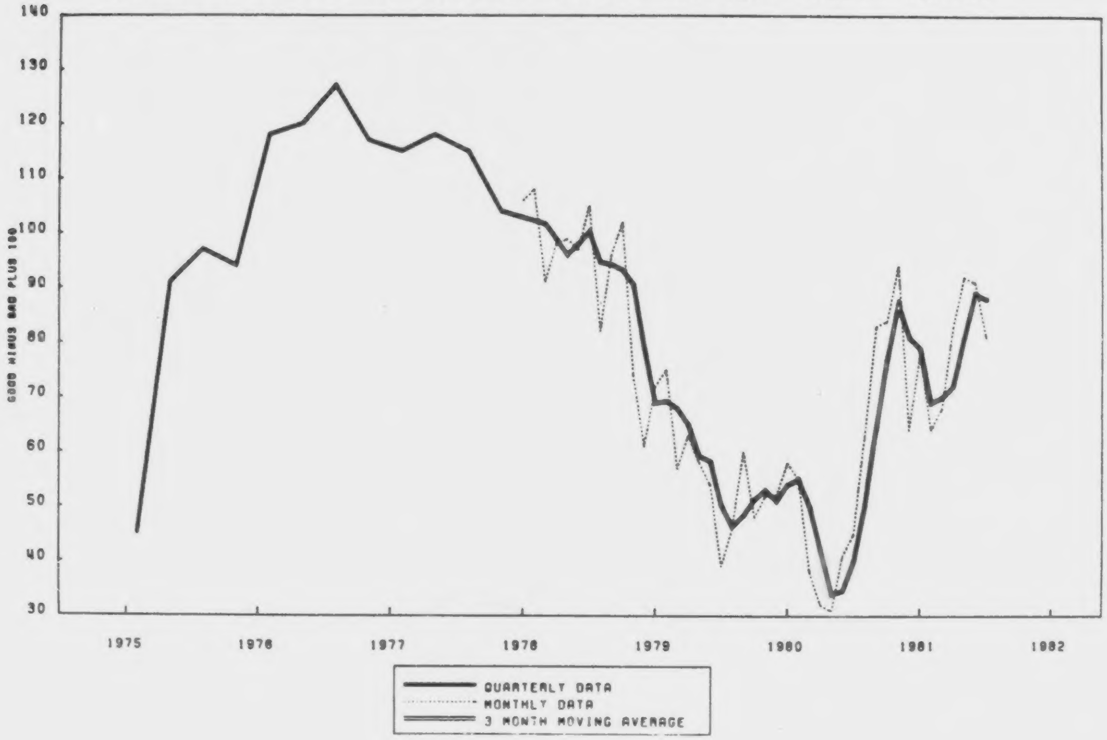


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

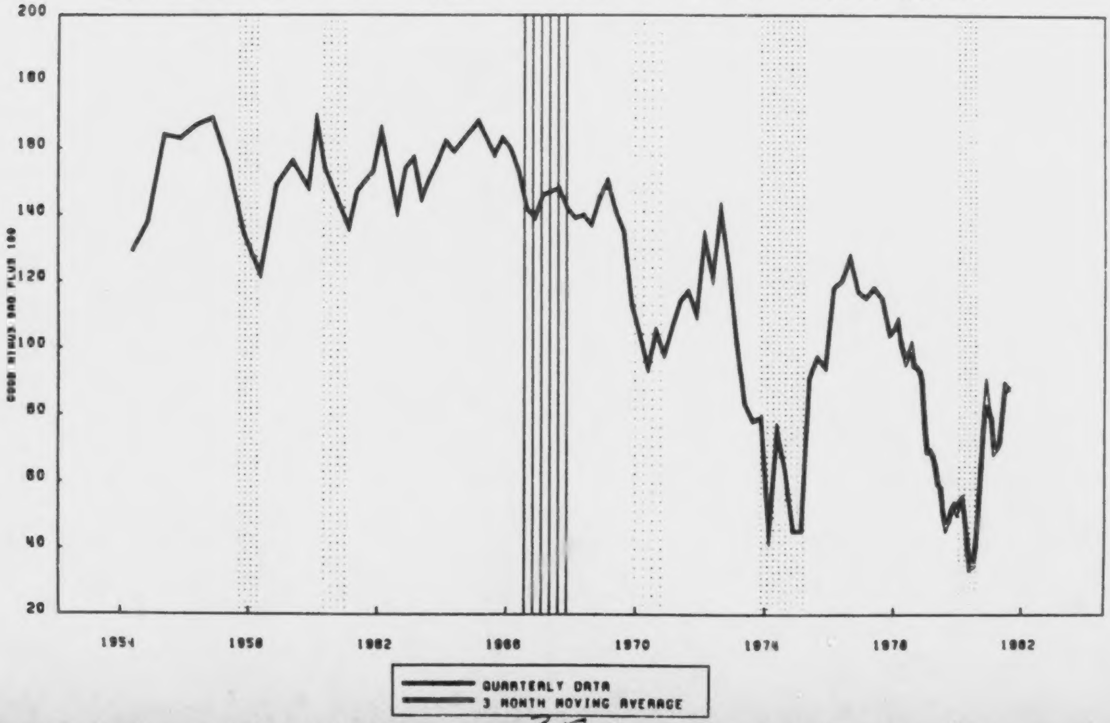


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIMES	19%	25%	35%	33%	39%	26%	31%	26%	27%	36%	41%	41%	35%
UNCERTAIN; GOOD & BAD	1	2	2	2	2	1	2	2	3	3	3	2	2
BAD TIMES	74	62	52	49	45	62	53	62	59	53	49	50	54
DON'T KNOW	4	7	7	8	8	7	10	6	6	6	5	5	5
NOT ASCERTAINED	2	4	4	8	6	4	4	4	5	2	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

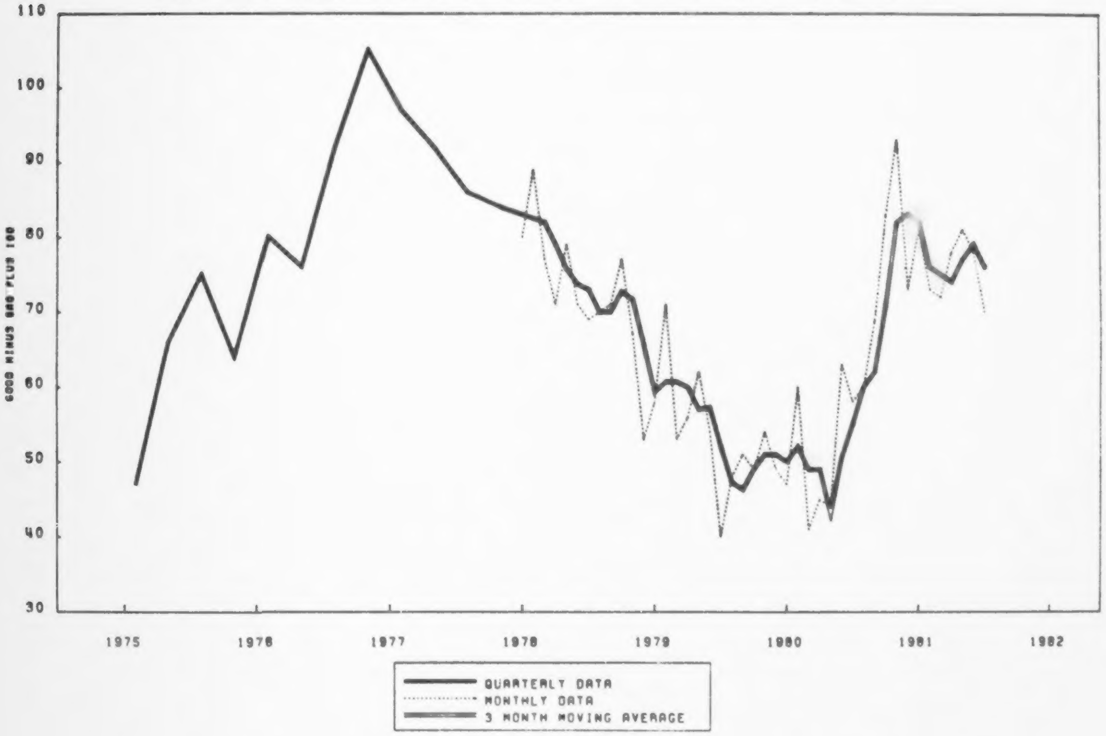


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

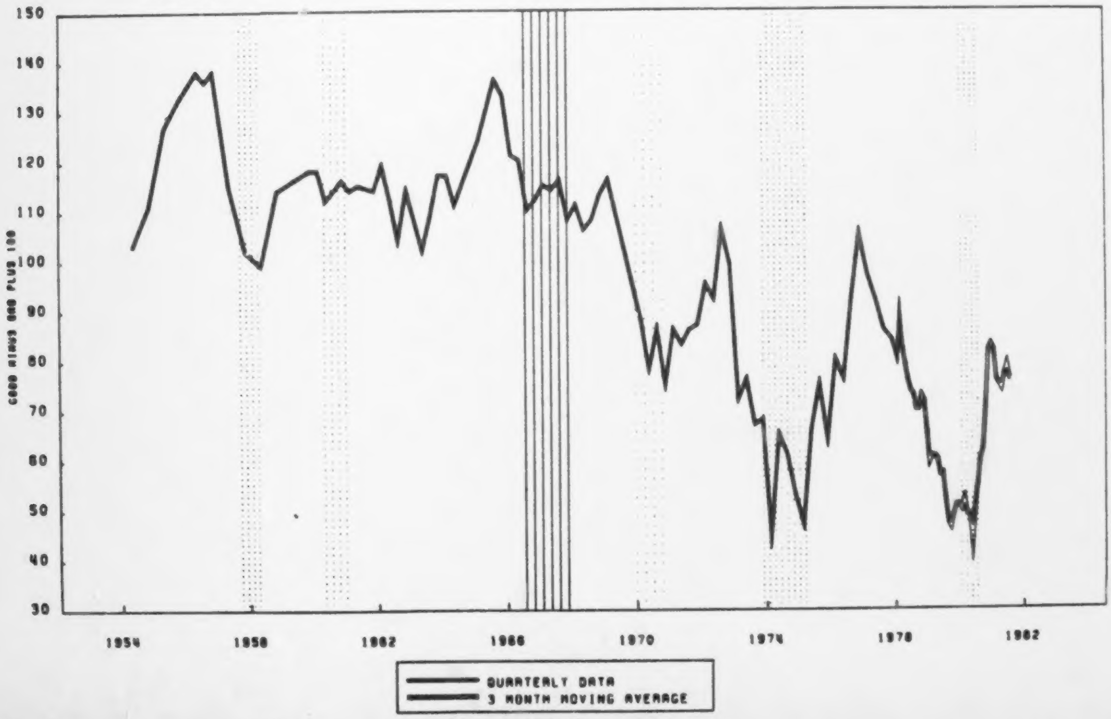


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIMES	19%	19%	25%	27%	36%	25%	30%	28%	27%	30%	33%	33%	27%
UNCERTAIN; GOOD & BAD	13	16	14	19	15	16	15	12	14	13	11	9	11
BAD TIMES	61	59	56	44	43	52	49	55	55	52	52	55	57
NOT ASCERTAINED	7	6	5	10	6	7	6	5	4	5	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

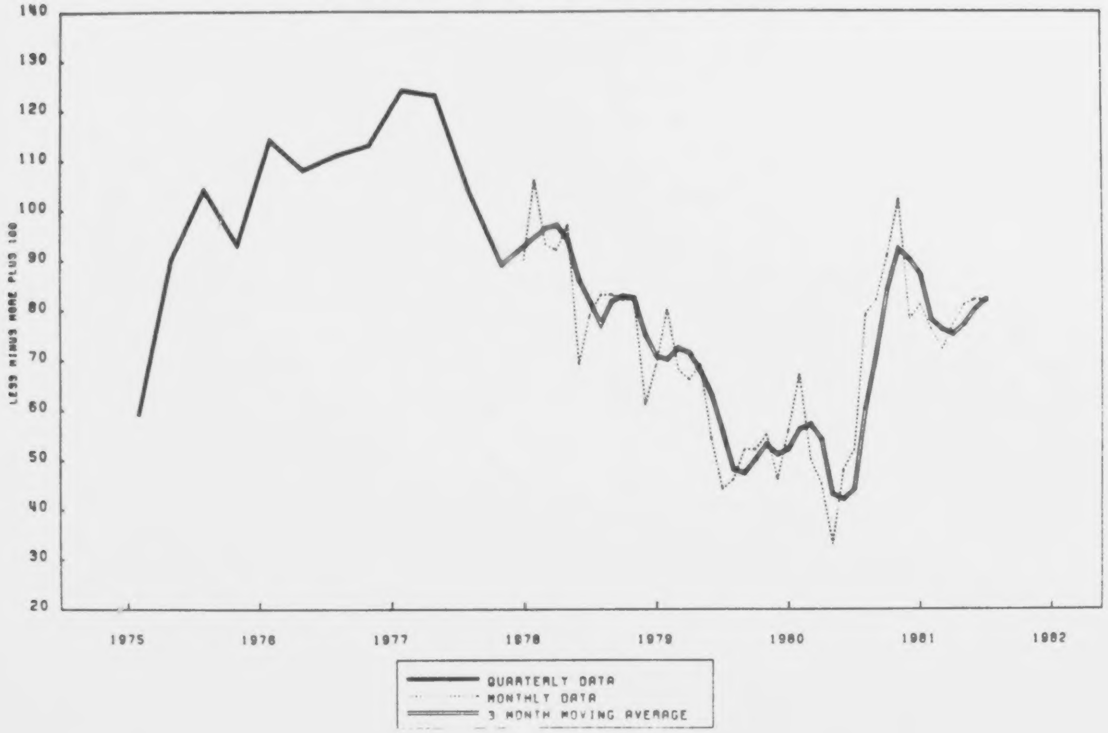


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

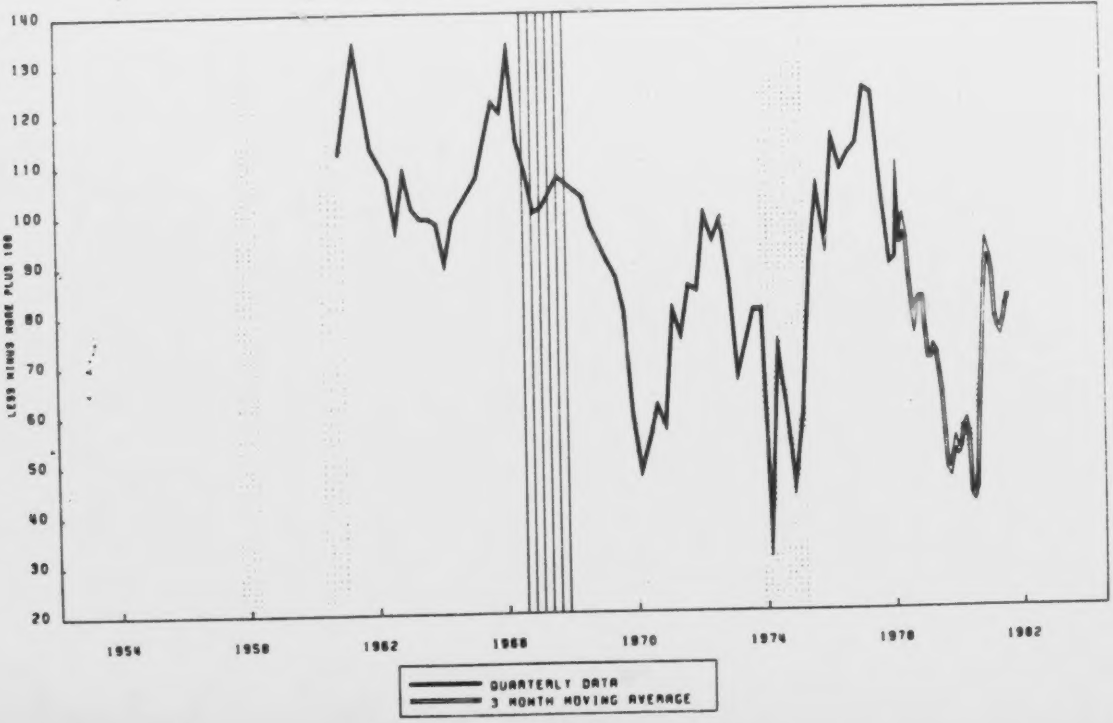


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
LESS	11%	19%	22%	21%	26%	17%	19%	16%	13%	17%	17%	18%	18%
SAME	30	38	36	46	47	41	41	42	43	41	46	44	44
MORE	59	40	40	30	24	39	38	40	41	40	36	36	36
DK,NA	*	3	2	3	3	3	2	2	3	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

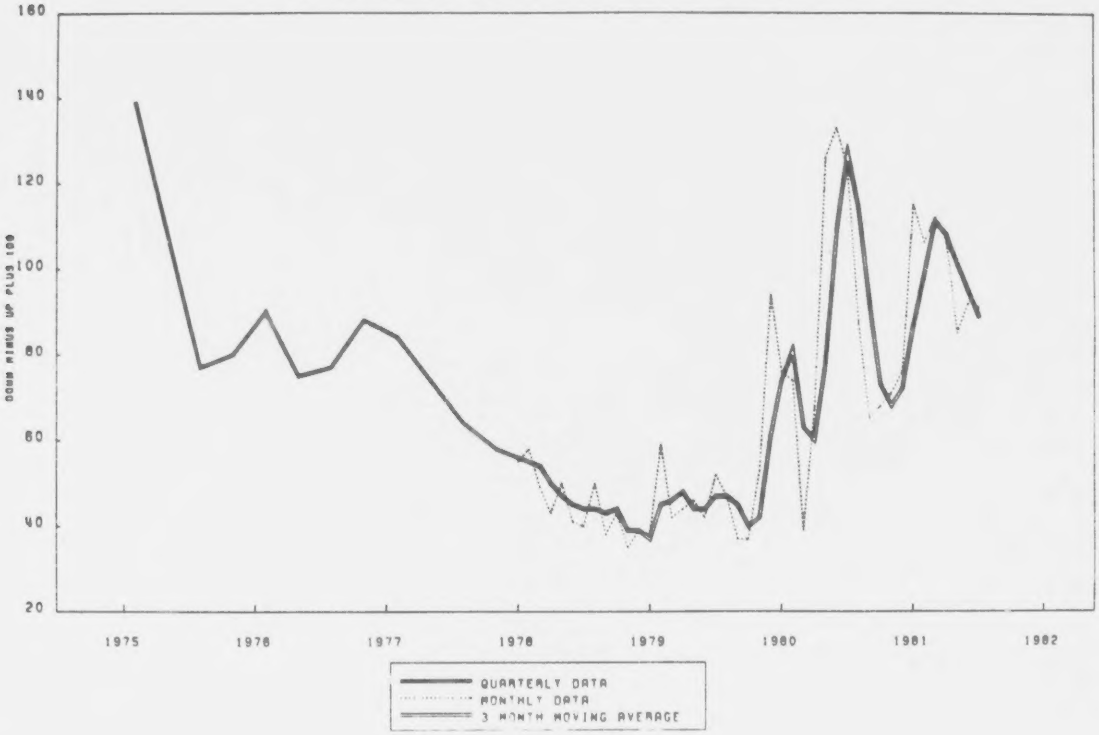


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

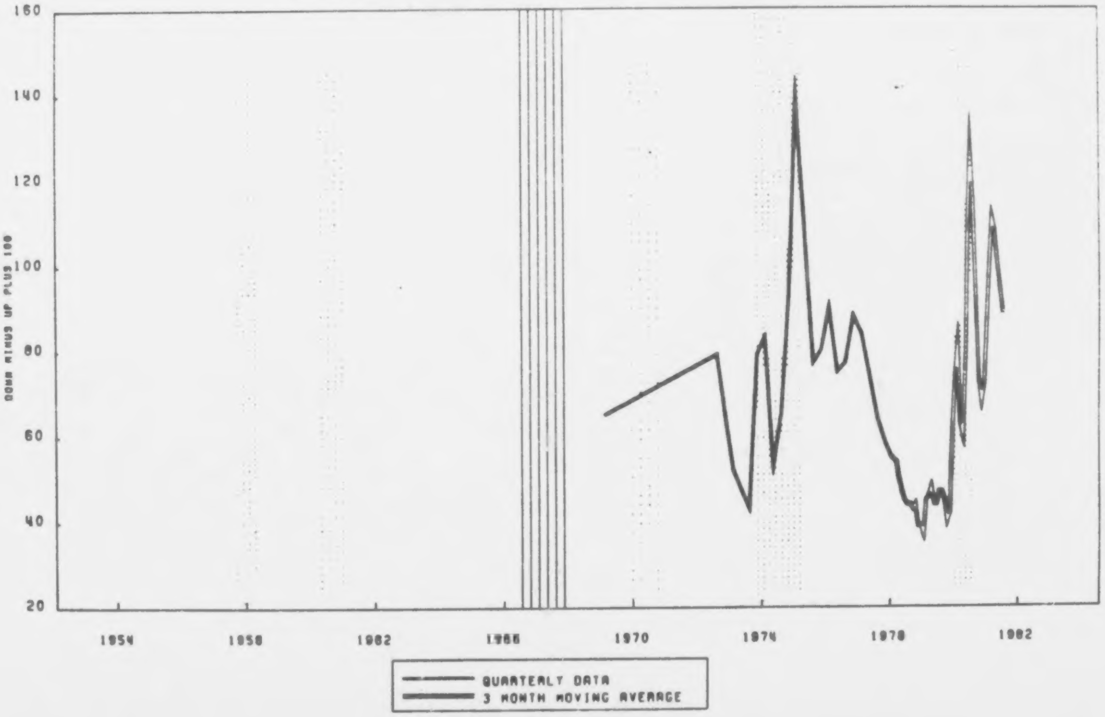


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GO UP	21%	39%	53%	49%	51%	53%	29%	31%	29%	31%	41%	38%	38%
STAY THE SAME	31	30	25	26	22	14	20	24	26	27	30	27	28
GO DOWN	44	26	18	17	22	29	44	37	41	38	26	30	29
DK,NA	4	5	4	8	5	4	7	8	4	4	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

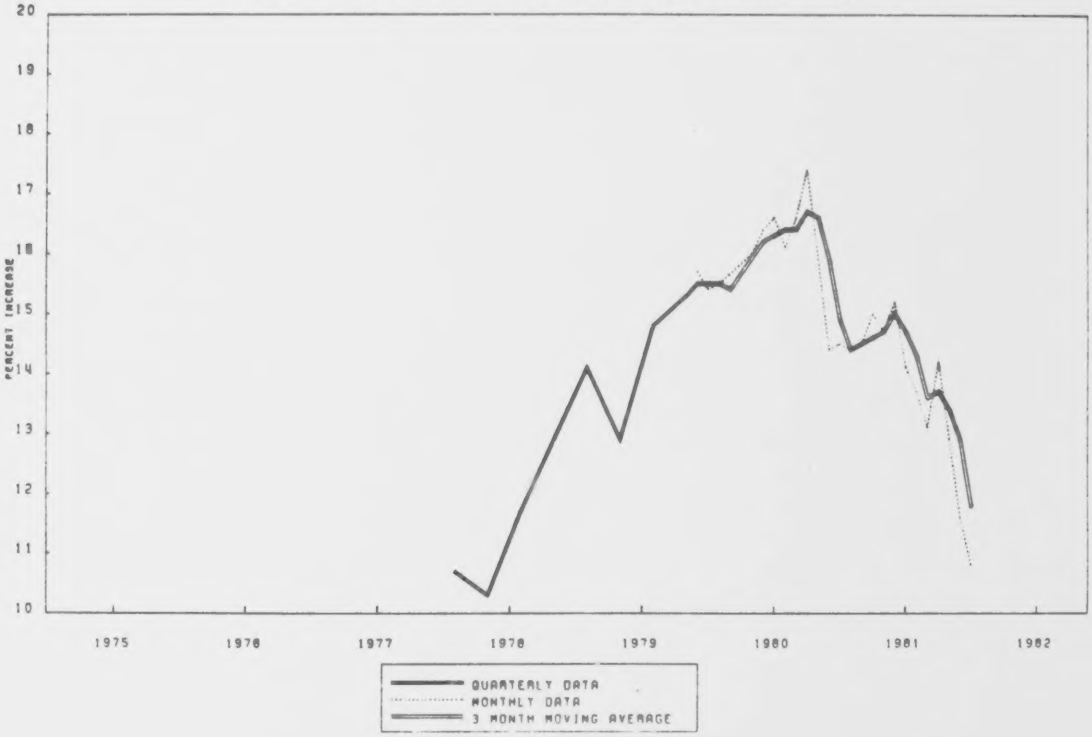


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
SAME OR DOWN	4%	4%	4%	2%	3%	2%	3%	2%	4%	4%	5%	9%	10%
GONE UP BY:													
1-2%	3	2	2	3	2	2	2	3	2	4	2	4	3
3-4%	5	6	5	4	4	3	4	4	4	5	7	6	6
5%	7	8	7	11	7	9	7	8	7	6	8	8	8
6-9%	11	12	9	11	12	9	8	8	10	12	10	10	10
10-14%	22	20	24	23	27	26	31	32	29	26	31	25	23
15% or more	29	32	31	32	29	32	28	25	25	30	27	22	20
DK how much up	18	15	17	14	16	16	17	17	18	13	10	16	20
DK,NA	1	1	1	*	*	1	*	1	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6	10.8
VARIANCE	168	160	151	169	161	158	130	128	111	156	123	112	104
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

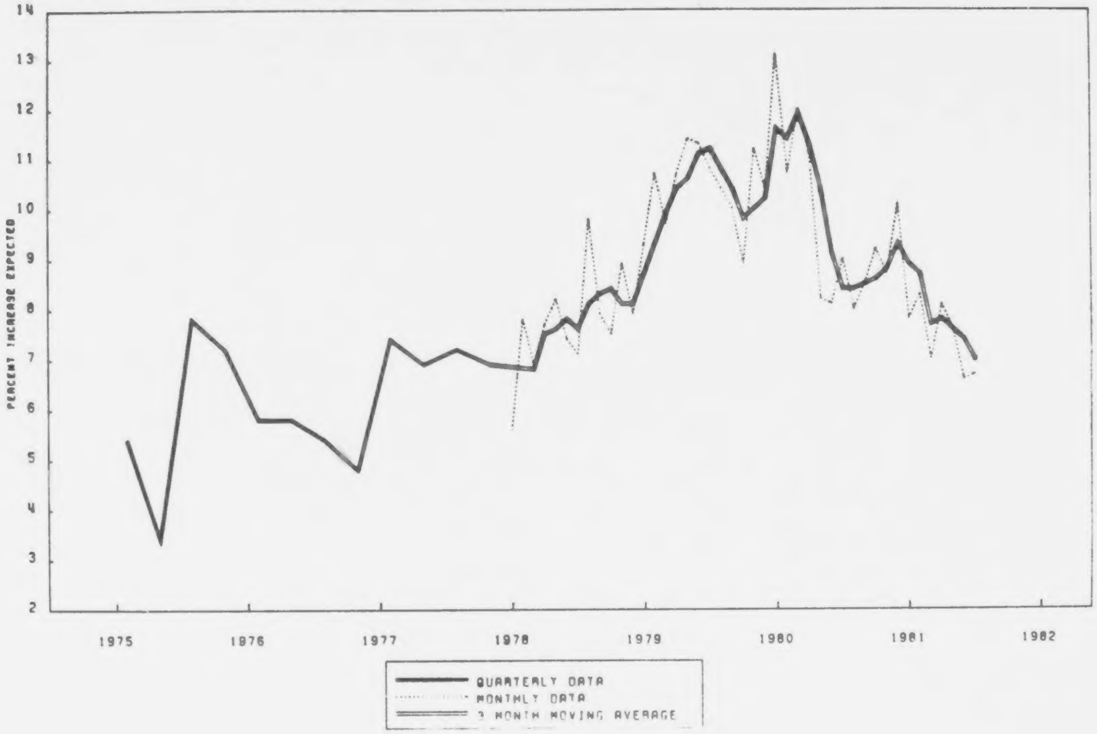


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

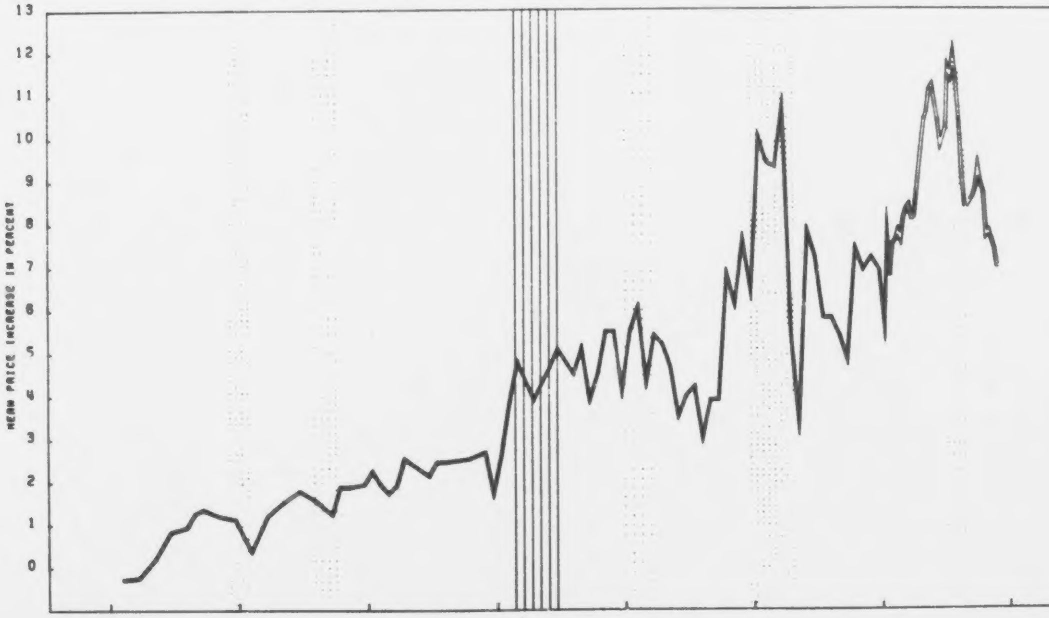


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
SAME OR DOWN	22%	18%	17%	20%	25%	17%	21%	18%	26%	27%	25%	31%	31%
WILL GO UP BY:													
1-2%	3	6	5	3	3	3	3	5	2	4	2	4	2
3-4%	5	7	5	6	5	5	6	9	8	7	8	6	6
5%	8	11	11	10	8	9	7	9	11	9	10	8	10
6-9%	10	12	10	10	12	11	12	12	11	9	13	12	15
10-14%	21	24	23	24	20	25	28	23	20	20	22	21	16
15% or more	15	10	13	16	14	18	9	12	9	14	11	10	10
DK how much up	13	11	13	9	11	10	11	10	11	8	7	7	10
DK,NA	3	1	3	2	2	2	3	2	2	2	2	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6	6.7
VARIANCE	95	71	68	100	102	107	54	74	57	97	79	57	71
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

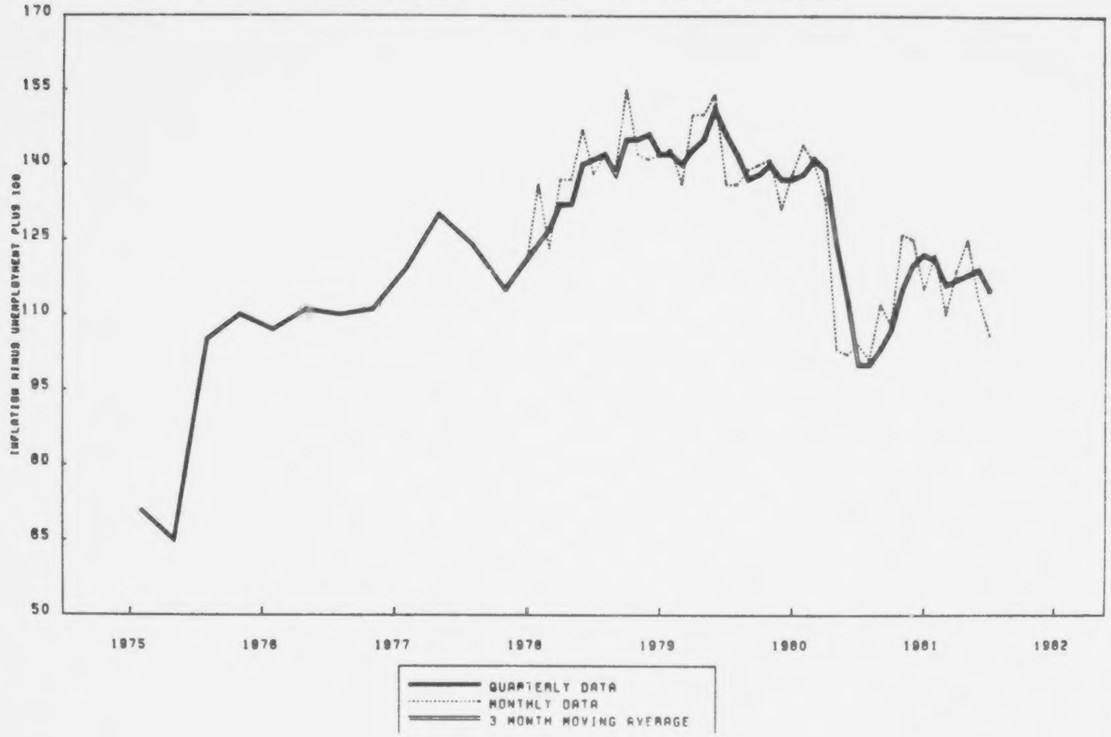


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

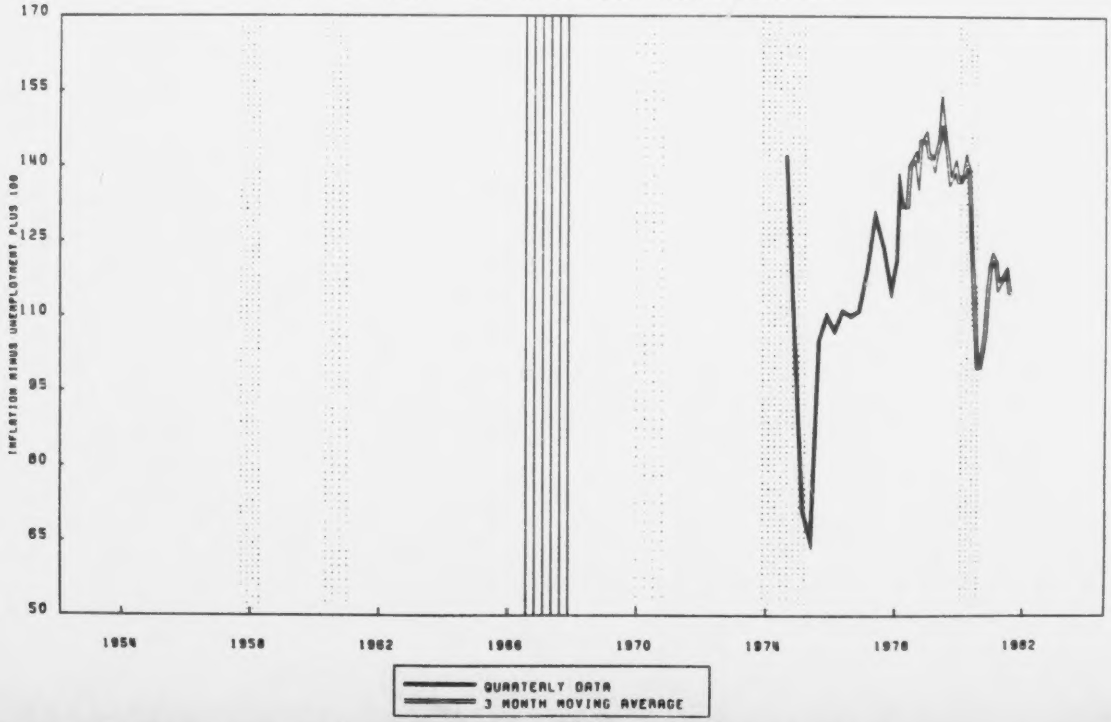


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
UNEMPLOYMENT	45%	43%	38%	40%	31%	32%	34%	34%	39%	35%	33%	36%	42%
BOTH EQUALLY SERIOUS	11	10	9	11	11	9	14	8	11	8	8	14	9
INFLATION	41	44	50	48	57	57	49	56	49	54	58	49	48
DK,NA	3	3	3	1	1	2	3	2	1	3	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

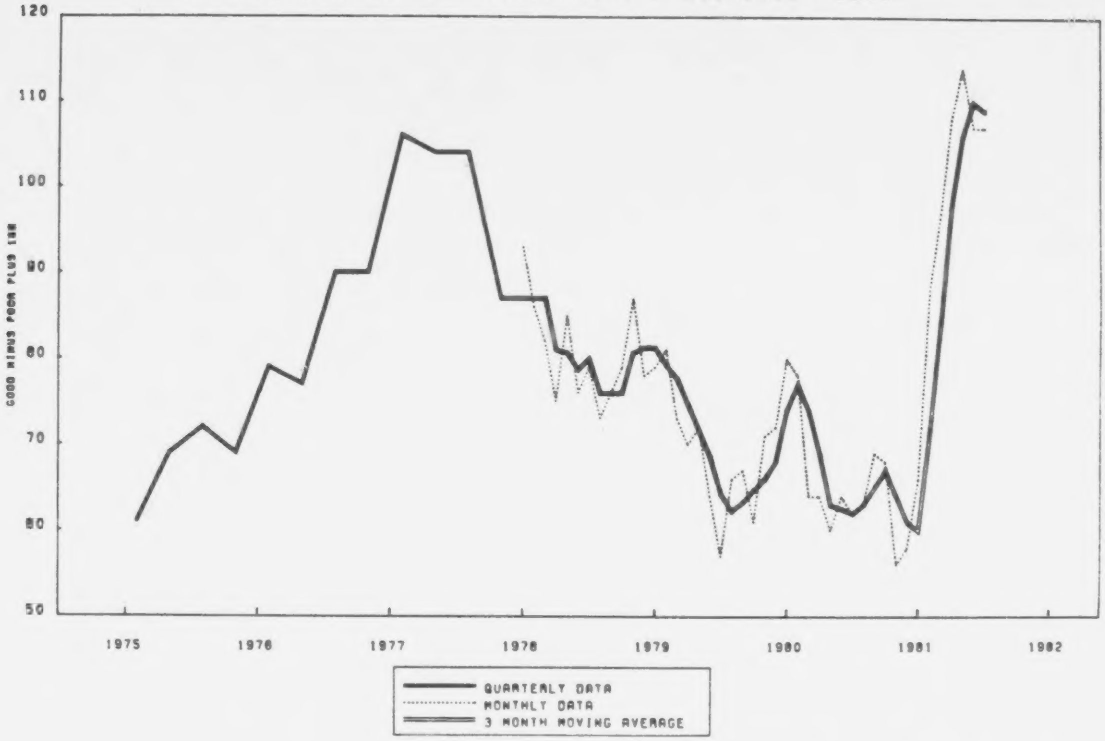


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

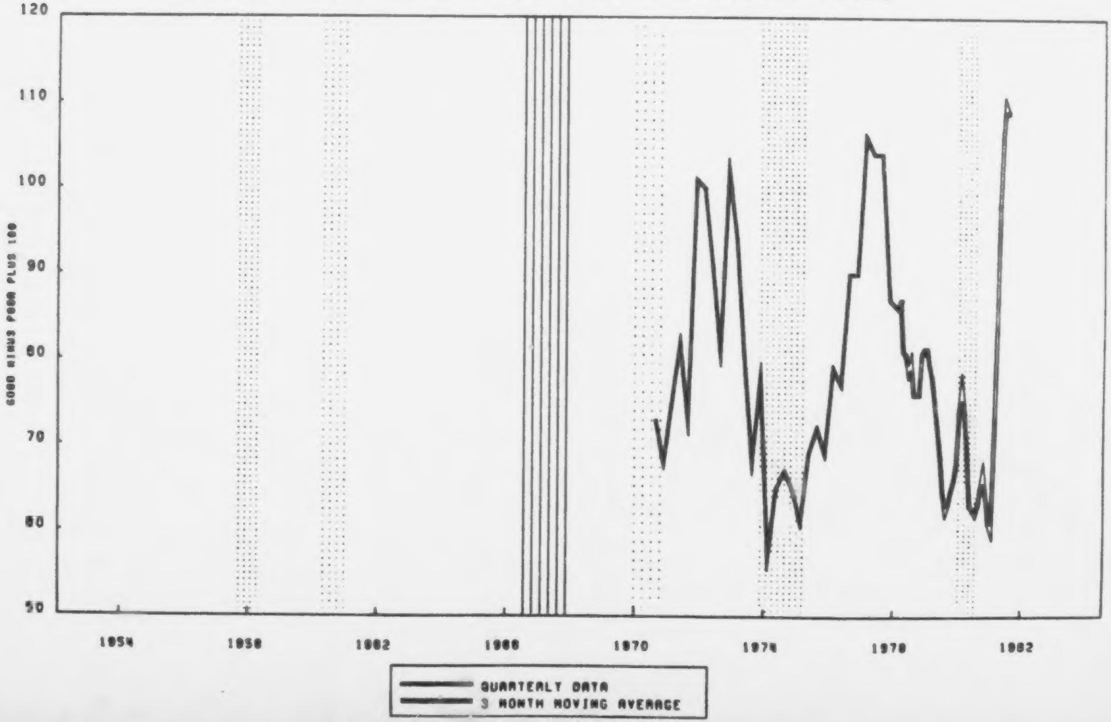


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
A GOOD JOB	9%	8%	10%	8%	6%	7%	10%	19%	22%	28%	30%	25%	28%
ONLY FAIR	41	45	46	50	41	42	42	40	45	47	49	54	47
A POOR JOB	47	45	41	40	50	49	44	31	25	20	16	18	21
DK,NA	3	2	3	2	3	2	4	10	8	5	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

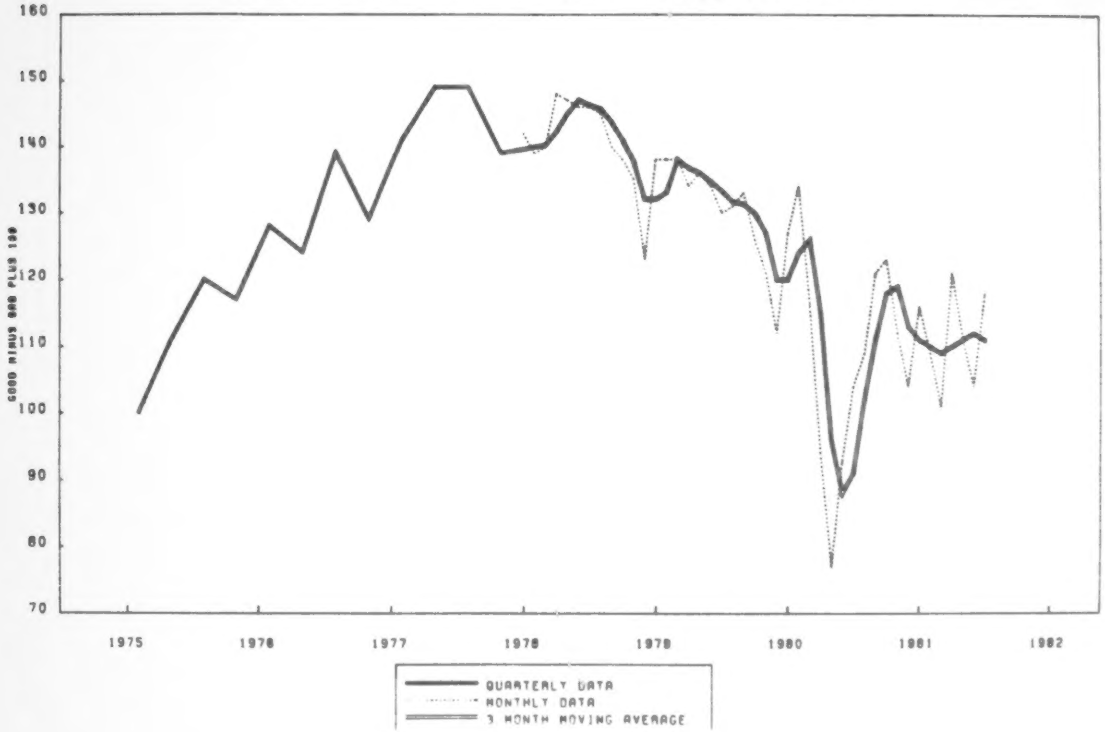


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

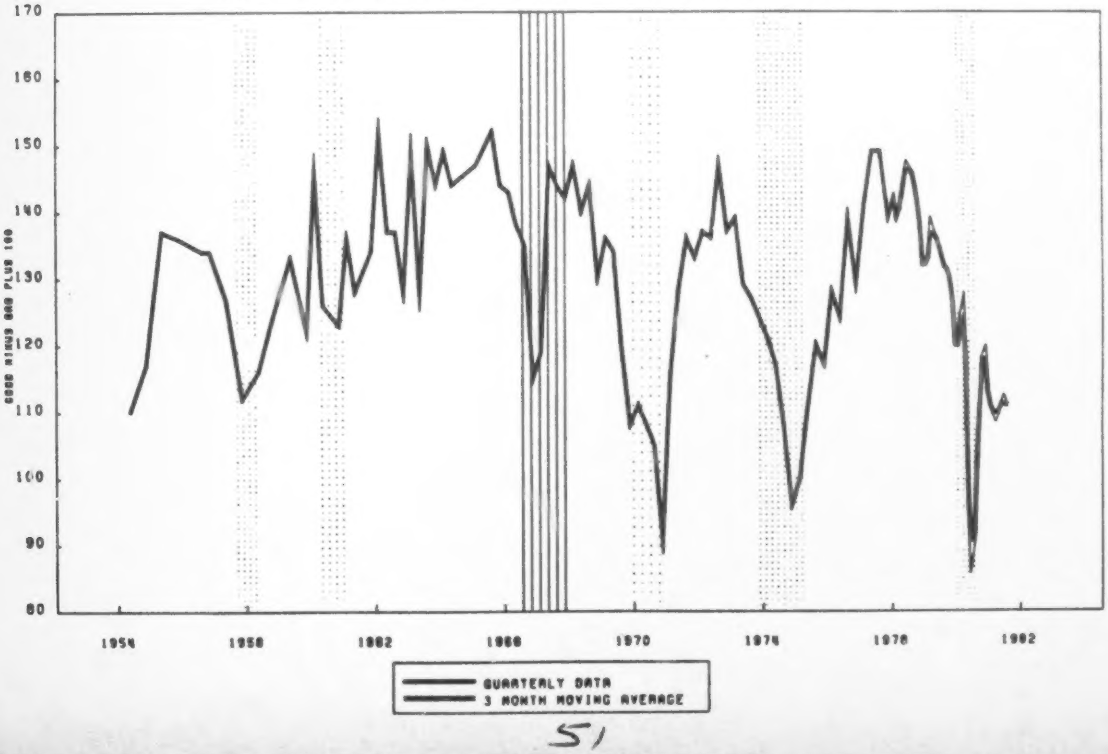


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	44%	47%	52%	55%	50%	45%	50%	47%	43%	54%	50%	44%	53%
UNCERTAIN, DEPENDS	16	15	17	13	12	14	16	15	15	13	11	16	12
BAD TIME TO BUY	40	38	31	32	38	41	34	38	42	33	39	40	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	17%	18%	20%	20%	17%	23%	23%	22%	21%	16%	20%	24%
Prices won't come down; are going higher	22	27	31	30	31	24	28	24	23	31	30	23	27
Interest rates low; credit is easy	5	5	3	4	2	3	2	3	1	2	3	1	2
BAD TIME TO BUY:													
Prices are high	23	23	20	16	23	26	17	24	23	19	25	22	23
Interest rates are high; credit is tight	19	16	13	17	17	22	25	26	22	17	18	23	17
Lack of purchasing power	20	14	12	11	11	11	11	13	16	12	9	13	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

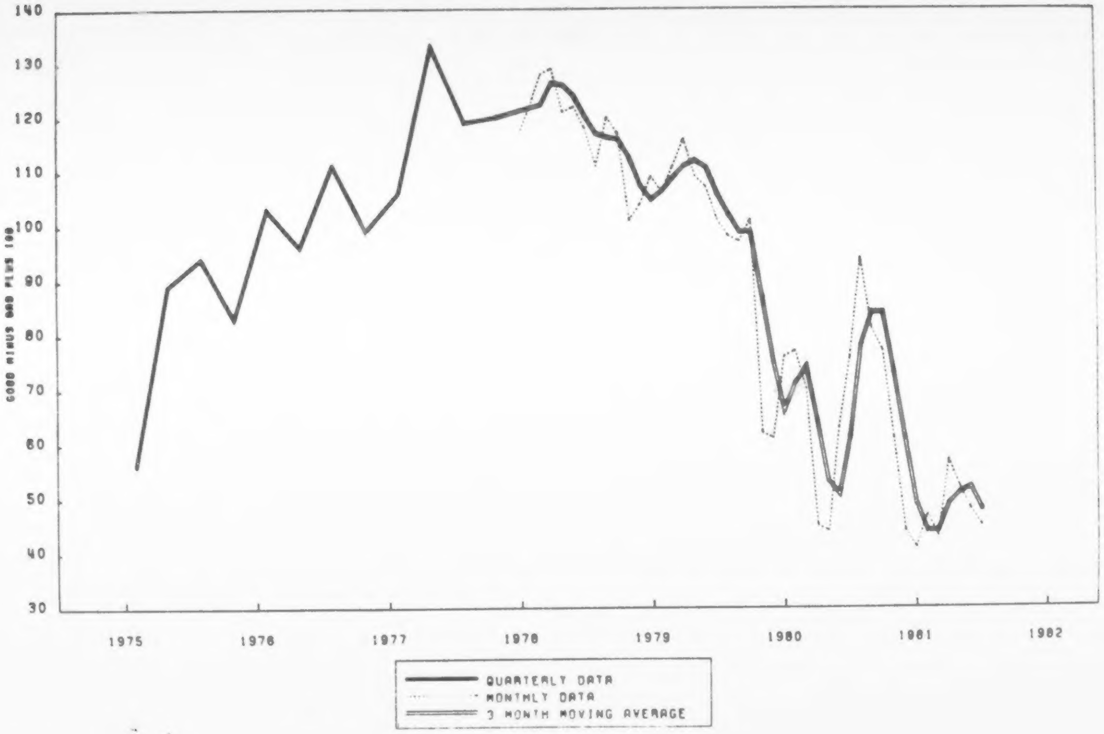


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

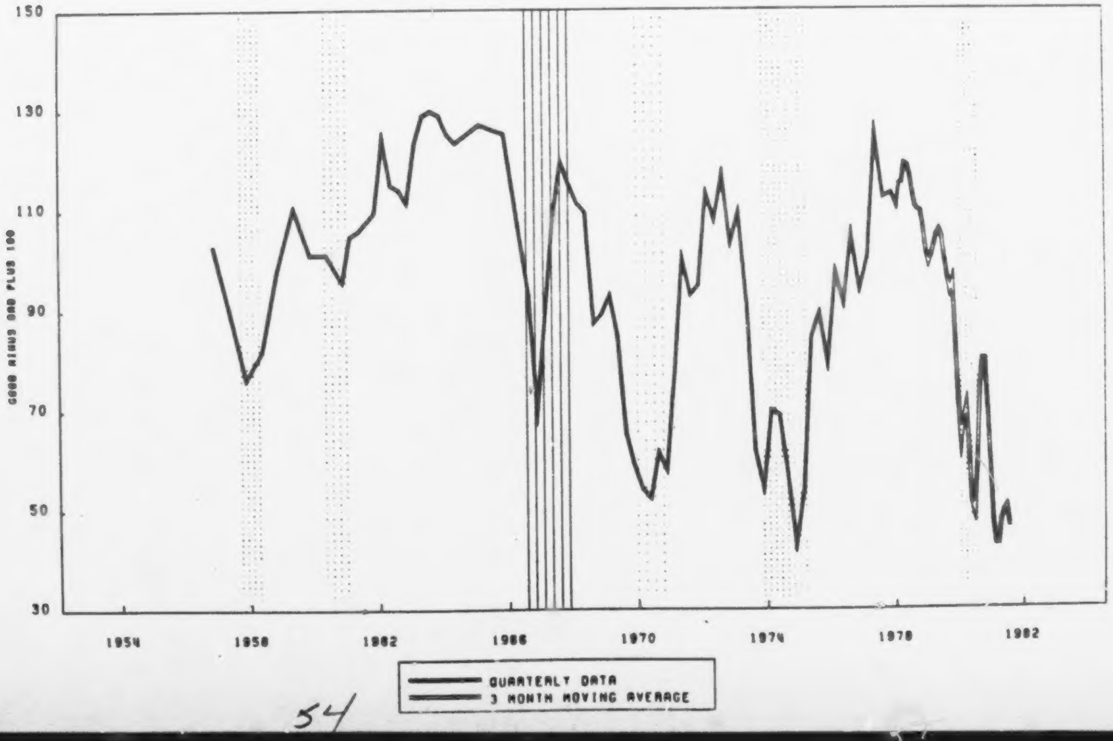


TABLE 28

BUYING CONDITIONS FOR HOUSES

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	34%	44%	38%	36%	28%	19%	18%	21%	20%	26%	24%	20%	20%
UNCERTAIN, DEPENDS	8	6	5	5	5	6	5	5	3	5	4	8	5
BAD TIME TO BUY	58	50	57	59	67	75	77	74	77	69	72	72	75
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	9%	7%	4%	4%	4%	3%	5%	4%	5%	5%	5%	5%
Prices won't come down; are going higher	12	14	17	17	16	10	12	10	9	12	10	10	10
Interest rates low; credit is easy	23	28	22	16	10	6	4	7	5	9	7	5	6
Good investment	6	10	9	8	7	6	7	10	7	8	6	6	7
BAD TIME TO BUY:													
Prices are high	30	26	29	27	28	28	32	31	32	30	28	30	30
Interest rates are high; credit is tight	53	41	50	56	66	77	76	73	76	66	71	71	71
Lack of purchasing power	15	12	11	12	11	12	10	14	13	12	11	13	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

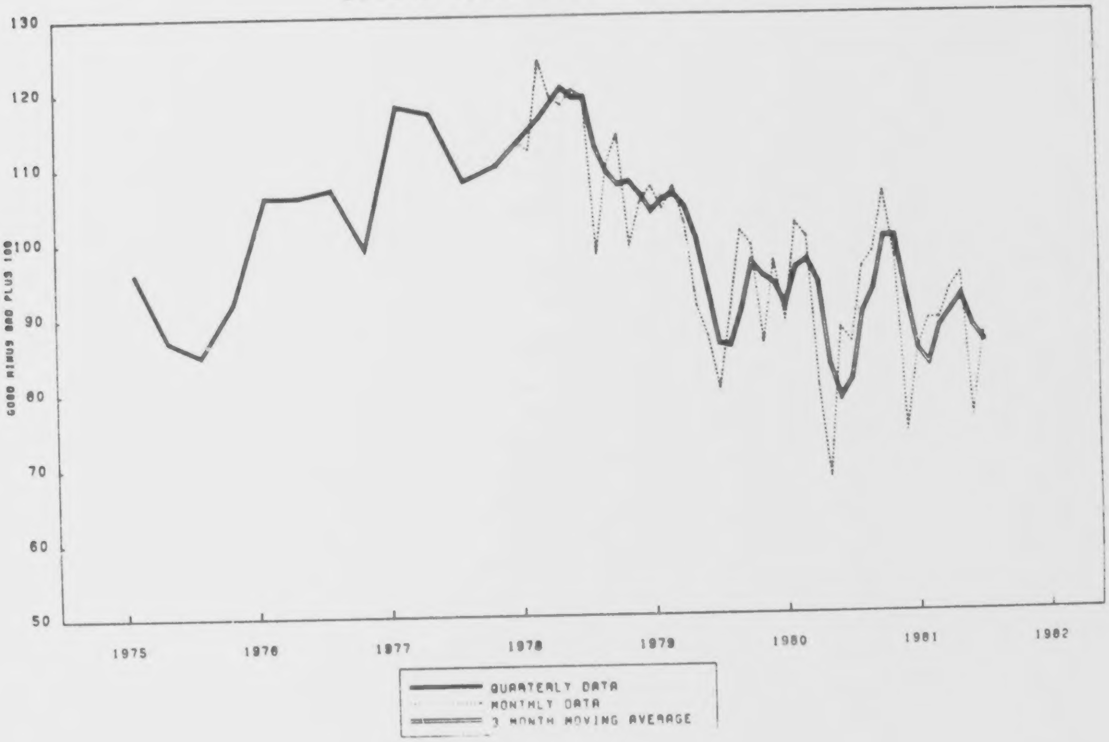


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

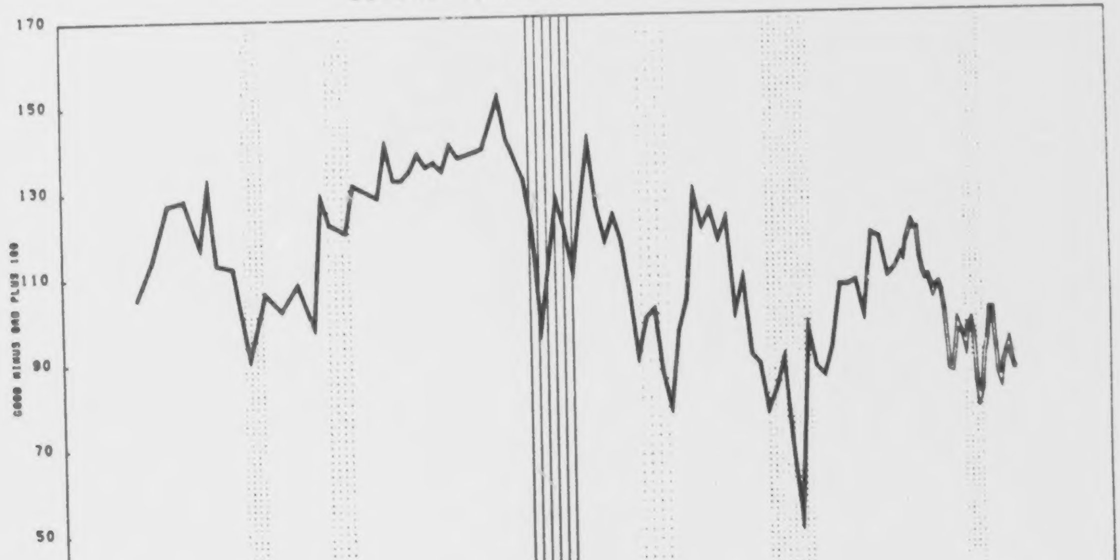


TABLE 30

BUYING CONDITIONS FOR CARS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	36%	42%	42%	45%	41%	33%	36%	39%	39%	42%	44%	33%	40%
UNCERTAIN; DEPENDS	14	12	14	16	15	8	13	11	11	9	7	10	7
BAD TIME TO BUY	50	46	44	39	44	59	51	50	50	49	49	57	53
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	24%	20%	17%	17%	13%	18%	22%	30%	25%	23%	14%	17%
Prices won't come down; are going higher	13	12	19	17	16	12	13	12	10	19	15	12	18
Interest rates low; credit is easy	4	4	4	3	3	4	5	3	2	3	4	2	3
New fuel efficient models	3	7	9	12	7	5	4	4	6	4	5	5	5
BAD TIME TO BUY:													
Prices are high	27	27	31	23	28	31	33	31	34	31	33	34	33
Interest rates are high; credit is tight	11	11	10	14	17	29	28	27	21	22	17	28	25
Lack of purchasing power	9	9	6	8	7	9	7	7	10	8	6	6	6
Price of gas; shortages	6	5	5	4	4	5	4	8	6	5	3	2	3
Poor selection; quality	13	13	11	13	10	12	9	9	9	8	10	9	11

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROBABLY WILL BUY	17%	16%	16%	15%	17%	14%	15%	16%	14%	15%	17%	17%	14%
CHANCES ARE EVEN	5	7	6	7	6	6	8	7	6	8	9	8	7
PROBABLY WILL NOT BUY	67	61	70	67	66	67	66	62	67	65	63	66	64
DK,NA	11	16	8	11	11	13	11	15	13	12	11	9	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	22%	23%	22%	22%	23%	20%	23%	23%	20%	23%	26%	25%	21%
PURCHASE TYPE:													
Buy new	10	8	11	12	11	8	11	10	9	11	11	10	9
Buy used	11	12	9	7	9	9	8	10	9	10	12	11	9
Lease	1	1	1	2	*	1	1	1	1	1	1	2	2
DK,NA	*	2	1	1	3	2	3	2	1	1	2	2	1
PURCHASE TIMING:													
Next 3 months	5	3	1	3	4	2	3	1	1	5	5	2	5
Next 4-6 months	5	5	6	4	3	3	5	6	4	8	5	7	6
Next 7-9 months	3	4	2	7	6	5	6	7	5	5	7	7	2
10 months or more	4	4	4	4	4	5	4	3	5	2	3	5	3
DK,NA	5	7	9	4	6	5	5	6	5	3	6	4	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	67%	61%	70%	67%	66%	67%	66%	62%	67%	65%	63%	66%	64%
PURCHASE TYPE:													
Would buy new	40	35	38	44	38	37	35	33	34	39	37	37	35
Would buy used	24	24	30	20	26	27	29	28	28	24	25	27	27
DK,NA	3	2	2	3	2	3	2	1	5	2	1	2	2
PURCHASE TIMING:													
Less than 2 years	4	6	5	5	6	7	6	5	6	9	6	5	4
2 years	20	18	23	20	23	20	17	23	23	19	22	20	19
3 years	10	8	12	15	11	12	12	9	9	9	10	11	11
4 years or more	21	21	18	15	15	18	19	16	19	22	15	20	18
Indefinite	4	4	4	3	5	3	5	3	3	3	4	5	5
DK,NA	8	4	8	9	6	7	7	6	7	3	6	5	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

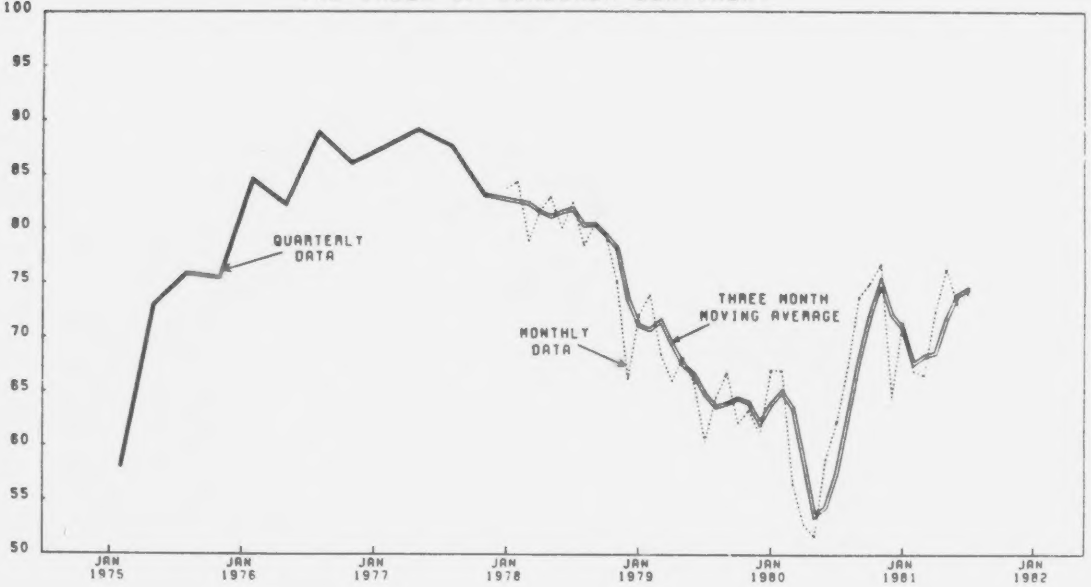
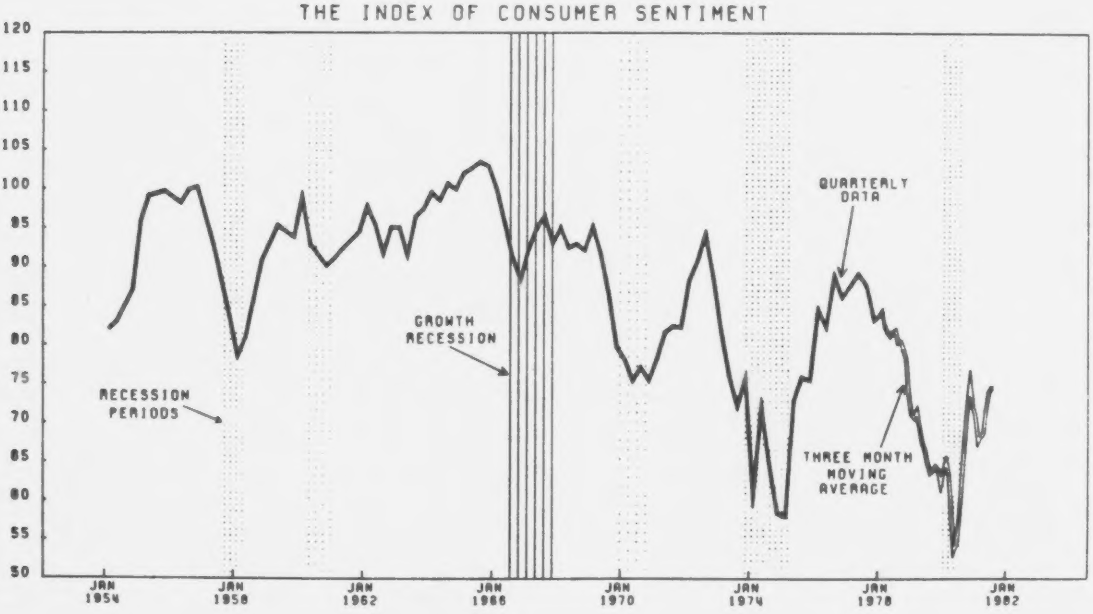


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



Note: Tic marks are January months.

Chart Lines

QUARTERLY DATA: points plotted are data collected by surveys done at 3 month intervals (quarters) before 1978.

MONTHLY DATA: points plotted are data collected by surveys done each month since January of 1978.

3 MONTH MOVING AVERAGE: each point plotted represents the mean average of 3 monthly observations ending at the date plotted.

NBER RECESSION PERIODS

November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION PERIOD

June 1966 - November 1967

RECESSION PERIOD: briefly, an actual reduction in the national output of goods and services (generally declared after lasting at least 2 quarters).

GROWTH RECESSION: briefly, retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stages of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

v7475-2

July 31, 1981

JULY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

INTEREST RATES CLOUD OPTIMISM

** In the July 1981 survey, the Index of Consumer Sentiment was 74.1, just 1 Index point above the June reading, and 11.8 Index points above the year-earlier reading. The small overall improvement masked larger and offsetting shifts in consumer attitudes and expectations. Consumer evaluations of their current personal financial situation posted significant improvement in the July 1981 survey, while the outlook for future business conditions became somewhat less favorable.

** Among families with incomes of $25,000 or more, the Index was 82.1 in July, down slightly from 82.9 in June, but up nearly 15 Index points from the year-earlier reading. The small overall increase in the Index reflects both slight improvements in sentiment among lower income families and slight deterioration among the higher income groups. Respondents in the Western region recorded a relatively larger monthly increase (4.3 Index points), while consumer sentiment among respondents over age 55 declined by 2 Index points in the July 1981 survey.

** Underlying these cross-currents in consumer evaluations were shifts in expectations concerning prices, interest rates, and uenmployment. The significant recent decline in price expectations has been the major factor behind improved personal and business expectations. In contrast, 8 in 10 respondents still expected unemployment to remain at its current high level or increase in the year ahead, and 2 in 3 respondents expected interest rates to remain at their current high levels or further increase. In addition, concern with high interest rates has kept consumer buying attitudes near record unfavorable levels.

** Small improvements in favorable attitudes toward buying conditions for household durables and autos were recorded in the July survey, while attitudes toward the housing market remained near all-time low levels. Fewer mentions of high interest rates and high prices contributed to the small improvement in attitudes toward the auto and durables markets, while high interest rates remained the dominant unfavorable force in the housing market.

* * *

Declines in inflation, both in current and in expected rates, have led to more favorable evaluations of personal as well as business conditions. The optimistic prospects for improvement in the economy, however, have been somewhat muted in recent months due to continued concern with high interest and unemployment rates. Although improvement is still expected, the expected pace or extent of change has slowed. Buying attitudes remain near record low levels, dominated by concerns with high interest rates. Discretionary consumer expenditures can be expected to remain at low levels through the balance of 1981, with sustained increases in sales dependent on declines in interest rates. Continued declines in inflation coupled with the federal tax cut will also play an important role in building a sustained recovery in 1982.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances Improve With Declines in Inflation

When asked whether their personal financial situation had improved or deteriorated during the past year, families more frequently mentioned improvement in the July survey (34 percent) compared to one month earlier (29 percent), and one year earlier (30 percent). The proportion that reported their financial situation had worsened fell to 35 percent in July 1981, from 40 percent in both the June 1981 and July 1980 surveys. The major reason for this improvement in personal financial attitudes is the recent decline in the rate of inflation. When asked to explain how their situation had improved or worsened, 30 percent of all families mentioned that higher prices had made them worse off, down in frequency from 34 percent in June and 46 percent in January 1981.

Changes in reports of current inflation rates have traced a significant decline in recent months. In the July 1981 survey, consumers reported that the prices of the things they bought had increased by 10.8% during the past year, down from 14.5% in July 1980. Since April 1981, when the reported current inflation rate was 14.2%, the estimates have fallen about 1 percentage point per month.

On balance, consumers' expectations for improvement in their personal finances during the year ahead remain unchanged from month-earlier readings, at a much improved level over first quarter 1981. In the July 1981 survey, 29 percent of all families expected improvement in their personal finances, down from 32 percent in June; at the same time, the proportion that expected their financial situation to worsen fell to 15 percent in July 1981, from 19 percent in June. The small decline in favorable financial expectations can be attributed to somewhat less favorable nominal income expectations. From June to July 1981, the proportion of all families that expected that their nominal family income would remain unchanged or decline rose from 32 to 37 percent.

Business Conditions

By mid- 1981, more respondents reported that they did not hear of any recent changes in business conditions (51 percent) than one year earlier (30 percent). Among the half of respondents who did report hearing news of changes, unfavorable rather than favorable news items dominated by a margin of nearly two-to-one in the July 1981 survey. Compared with a year ago, reports of increases in unemployment have declined significantly, falling from 43 percent to 16 percent in July 1981, but nonetheless remained the most frequently reported news item.

Evaluations of current business conditions recorded a moderate improvement in the July 1981 survey. Among all families, 32 percent reported that business conditions improved during the past year, just above the 31 percent recorded in June, but substantially above the 10 percent recorded in July 1980. Reports that business conditions worsened during the past year were made by 47 percent of all families in July 1981, significantly below the 85 percent recorded a year earlier.

While the outlook for future business conditions improved dramatically during the last half of 1980, it has remained largely unchanged since then. When asked why they expected business conditions to improve or worsen during the year ahead, fewer respondents in the July 1981 survey spontaneously mentioned that they expected favorable changes in government policy to help improve business conditions. In January of 1981, when President Reagan took office, one-third of all families spontaneously mentioned favorable changes in government economic policies. From January through April 1981, the proportion of respondents who made such references ranged from 31 to 35 percent, but since then has declined to 25 percent in both May and June, and 21 percent in the July 1981 survey. At the same time, moreover, there has been a slight increase in the proportion of respondents who made unfavorable references to government economic policies when asked why they thought business conditions would deteriorate. From January through May of 1981 the proportion who unfavorably referred to government economic policies ranged from 7 to 9 percent, and rose to the 11-12 percent range in the June and July 1981 surveys. Since the beginning of the year, the net difference between the proportion that favorably referred to government policies and the proportion that unfavorably referred to the same policies declined from 28 to 10 percent. Fewer mentions of inflation in the May to July surveys have offset the shift in government policy mentions to maintain the overall outlook at the much improved level of the past six months.

Confidence in government economic policy to combat inflation and unemployment remained unchanged, on balance, from the month earlier reading. In the July 1981 survey, 28 percent thought the government was doing a good job, up from 25 percent in June. The proportion who rated policy as poor, however, also increased to 21 percent in July 1981 from 18 percent in June. Overall, confidence in government economic policy remains at greatly improved levels.

Price Expectations Moderate, Interest Rates and Unemployment Remain High

Consumers expected the annual rate of inflation during the year ahead to average 6.7% in the July 1981 survey, largely unchanged from the 6.6% recorded a month earlier, considerably below the peak level of 13.1% recorded in January 1980 and below the 9.0% recorded a year earlier. On balance, consumer price expectations were lower in mid 1981 than at anytime during the prior three years. During the past eighteen months, the proportion of consumers that expected double digit inflation fell to 26 percent in July 1981, from 36 percent in July 1980, and 53 percent in January 1980.

Compared with early 1980, when inflation expectations reached peak levels, by mid 1981 unemployment was identified as the more serious economic problem facing the nation with increasing frequency. From early 1980, when inflation rather than unemployment was viewed as thre more serious problem by a margin of 64 to 26 percent, the margin has shifted to a nearly equal 48 to 42 percent, although inflation still remains the more frequently mentioned problem.

In the June and July 1981 surveys, twice as many consumers expected unemployment rates to increase (36 percent) as to decline (18 percent) during the year ahead. Although this proportion represents a substantial improvement from one year earlier when five times as many respondents expected increases (59 percent) rather than declines (11 percent), nearly the entire improvement is based on the expectation that the unemployment situation will not worsen, whereas very small increases were recorded in the number who actually expected improvement.

In the July 1981 survey, 38 percent of all families expected interest rates to increase, unchanged from one month earlier, but above the 21 percent recorded a year earlier. Similarly, the proportion that expected interest rate declines stood at 29 percent in July 1981, unchanged from one-month earlier, down from 44 percent a year earlier. High and fluctuating interest rates, coupled with heightened consumer awareness of information on interest rate trends, and reinforced by changes in both saving and debt transactions, has resulted in rapid shifts in expectations. Across a wide range of measures of attitudes and expectations, none has shown greater volatility during the past several years than interest rate expectations.

The proportion that expected increases in interest rates fell from 70 percent in September 1979 to 40 percent by December 1979, and then rose again to 71 percent by March 1980. From March to July 1980, the proportion fell dramatically from 71 to 21 percent, and then subsequently rose to 53 percent by the end of 1980. At the start of 1981, the proportion that expected higher interest rates fell to about 30 percent, subsequently rose to the 40 percent level in May 1981 and has remained at that level through the July survey.

Buying Attitudes Remain Unfavorable

Consumer buying attitudes remained near record low levels in the July 1981 survey. Some small improvements were recorded in the July 1981 survey in attitudes toward market conditions for household durables and cars, but not for houses. These improvements can be attributed to somewhat fewer complaints about high interest rates and high prices, the major factors which have depressed buying attitudes during the past year.

Consumer evaluations of market conditions for houses remained at record low levels in the July 1981 survey. On balance, house buying attitudes were even less favorable in the first half of 1981 than in the first half of 1980. Favorable house buying attitudes fell sharply during 1979 and early 1980, with some of the decline being reversed in mid-1980 when interest rates fell. The renewed increases in interest rates at the end of 1980 caused house buying attitudes to fall to all-time record low levels in the first half of 1981. In the July 1981 survey, fully three-in-four consumers rated market conditions for houses as unfavorable, with spontaneous references to high interest rates made by nearly everyone who held unfavorable views (71 percent). Although buyer accomodation to higher mortgage rates than prevailed in the past can be expected, declines in current rates are needed before a sustained recovery can take place. Even when declines in mortgage rates again draw buyers into the market, the spread of variable rate/payment and other types of mortgages will redefine the influence of market interest rates on consumer attitudes. Whether interest rate sensitivity further increases or the new mortgage instruments help diffuse concern, will have an important influence on the subsequent pace of recovery.

Favorable car buying attitudes were reported somewhat more frequently in the July 1981 survey (40 percent), than one-month earlier (33 percent). and one-year earlier (36 percent). Despite the small improvement, attitudes toward market conditions for automobiles have remained at relatively unfavorable levels throughout the past two years. Since mid-1979, attitudes toward buying conditions for automobiles have fluctuated within a narrow band, moving in a sideward zigzag fashion over time. During the past two years, the small declines in early and late 1980 were associated with increasing complaints about high interest rates, and the small increases in favorable car buying attitudes were associated with more frequent references to rebates and price discounts. Moreover, the level at which car buying attitudes have remained stalled is comparable to levels recorded only during prior recessions. In the July 1981 survey, 25 percent of all respondents mentioned that high interest rates make buying conditions for cars unfavorable, just below the 28 percent recorded one month earlier, but substantially abobe the 11 percent recorded one year earlier. Mentions of rebates and price discounts fell to 17 percent in July 1981, from a recent high of 30 percent in March 1981, and 25 percent in July 1980.

Favorable attitudes toward buying conditions for large household durables were more frequently recorded in July 1981 (53 percent) than one month (44 percent) or one year earlier (44 percent). During the past year, buying attitudes toward durable goods have fluctuated at relatively low levels. The small July improvement was associated with fewer unfavorable mentions of high interest rates on credit purchases, the proportion falling to 17 percent from 23 percent in June, but nonetheless remaining at an historically high level.

* * *

The July 1981 survey contained 694 interviews, conducted between June 24 and July 22, 1981.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

AUGUST 1981

The August 1981 survey is the 155th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

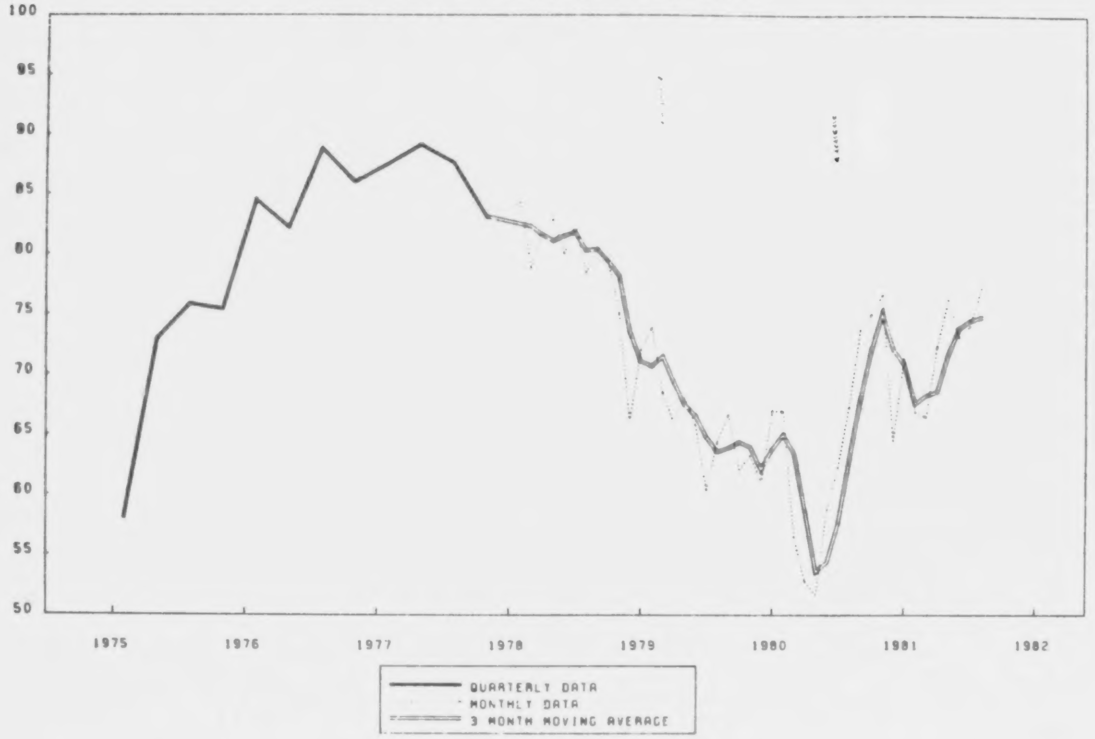


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

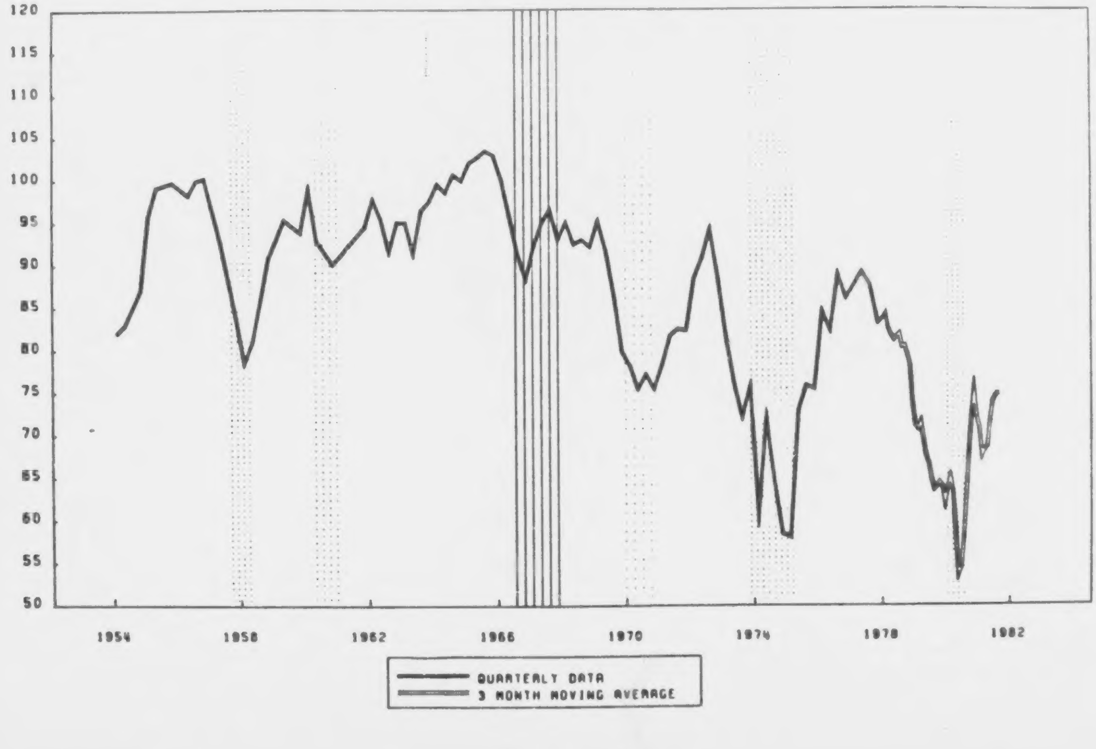


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0
June	1981	73.1	81.2	82.9
July	1981	74.1	80.8	82.1
August	1981	77.2	82.7	85.0

CHART 2A
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

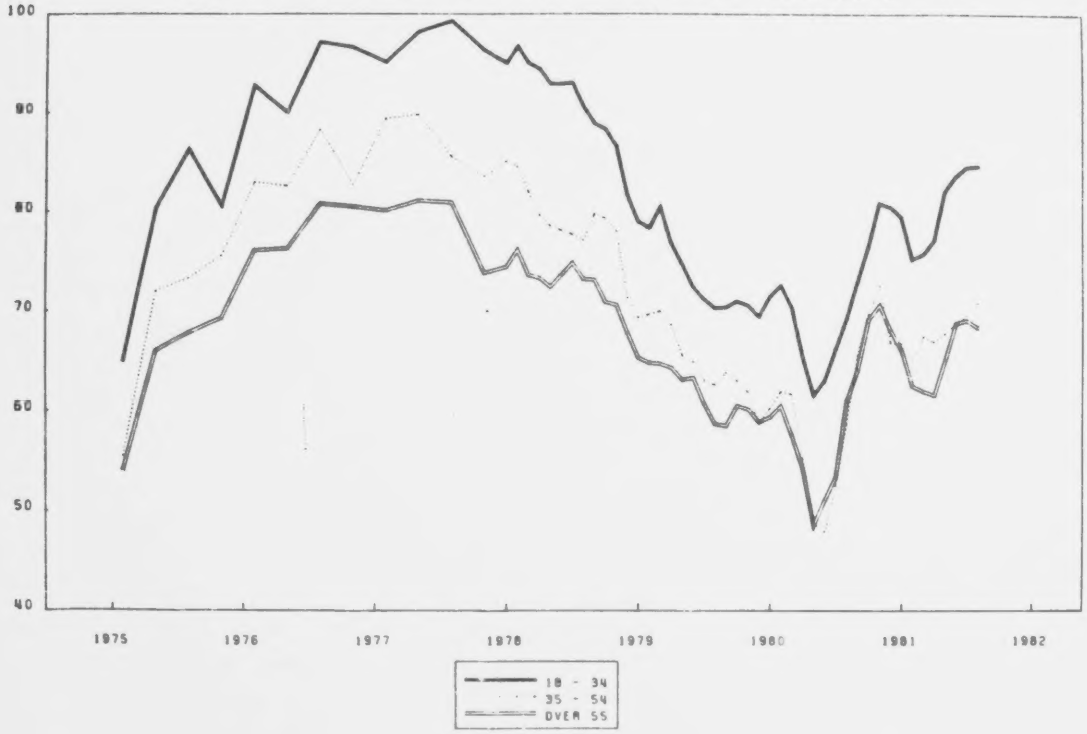


CHART 2B
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

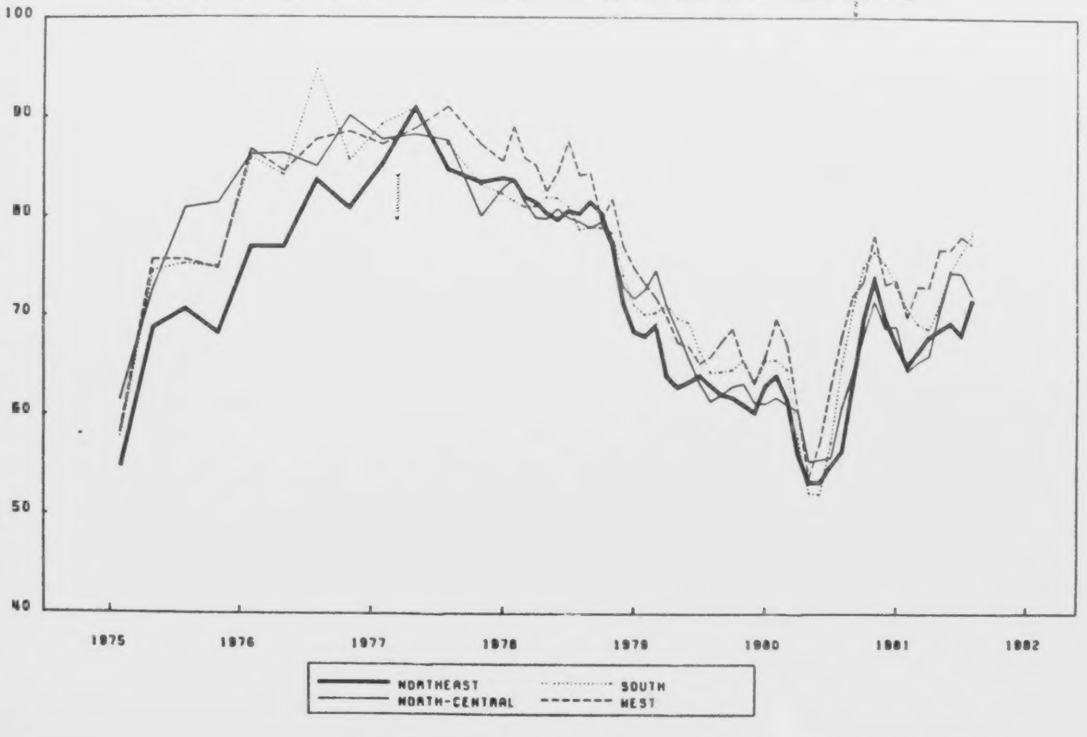


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July	1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August	1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

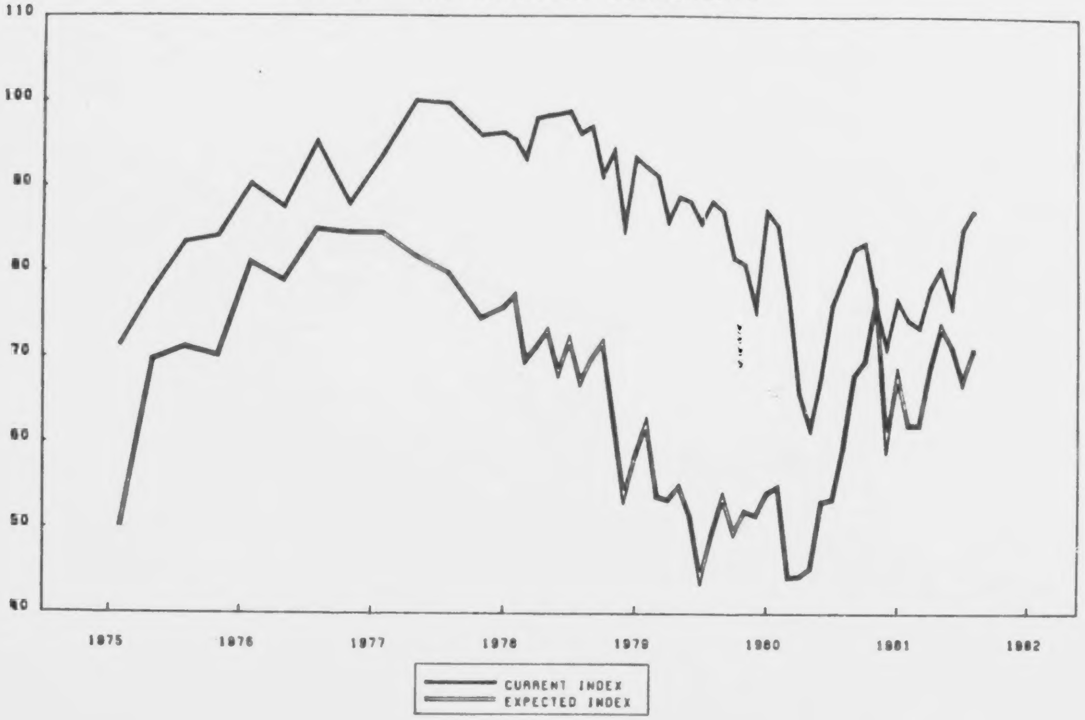


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

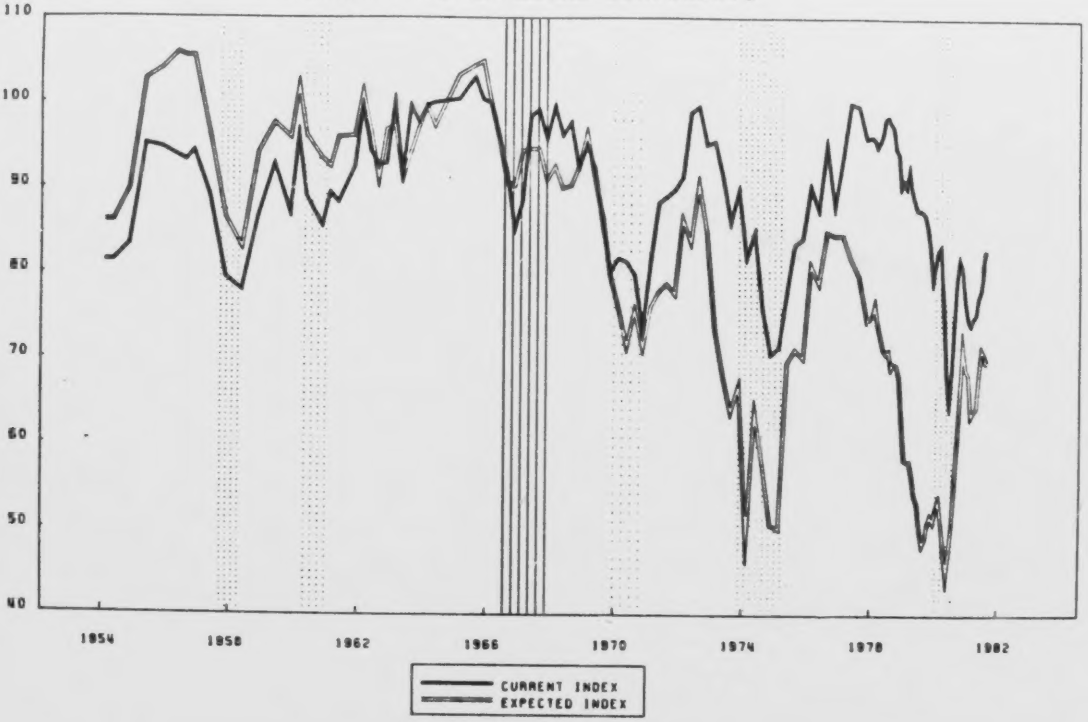


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

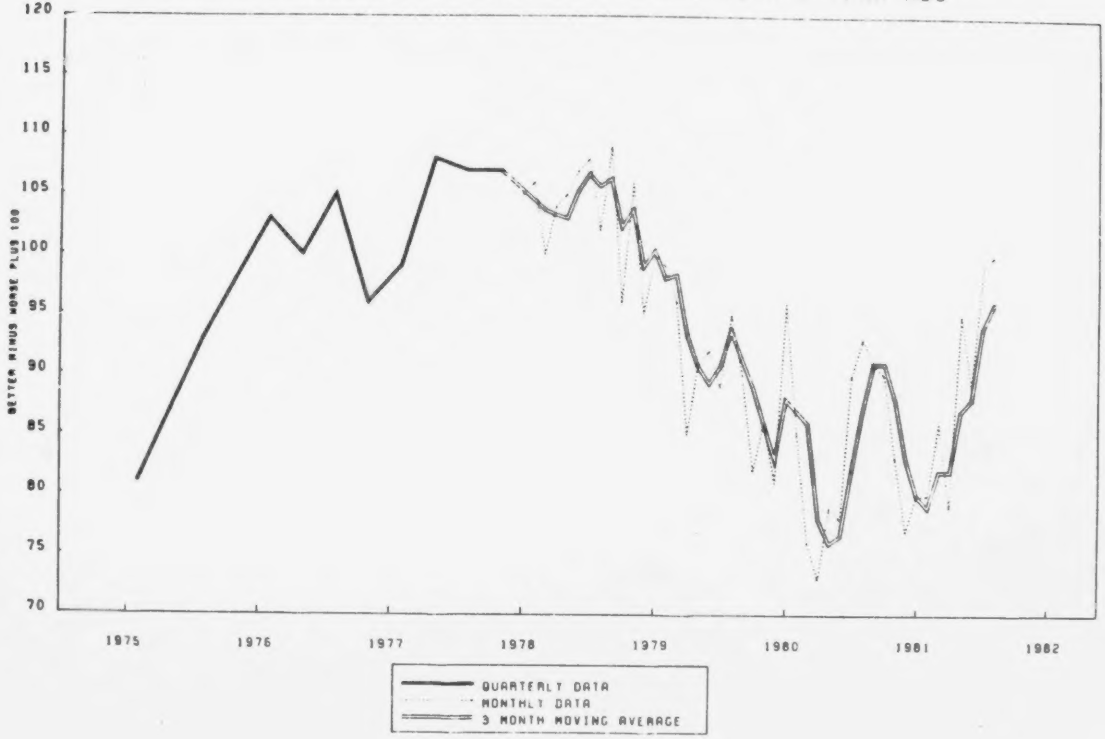


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

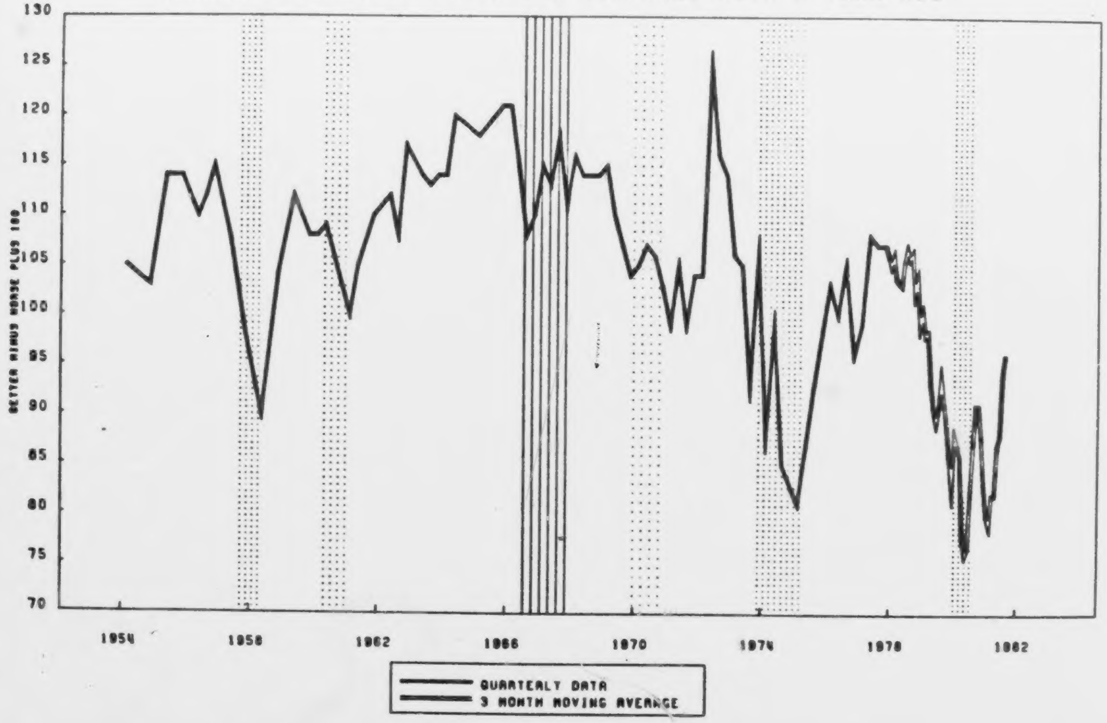


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
BETTER OFF	33%	31%	30%	28%	25%	25%	27%	29%	25%	31%	29%	34%	33%
SAME	26	27	30	26	26	30	26	28	28	32	31	30	33
WORSE OFF	40	40	40	45	48	45	47	43	46	36	40	35	33
DK,NA	1	2	*	1	1	*	*	*	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

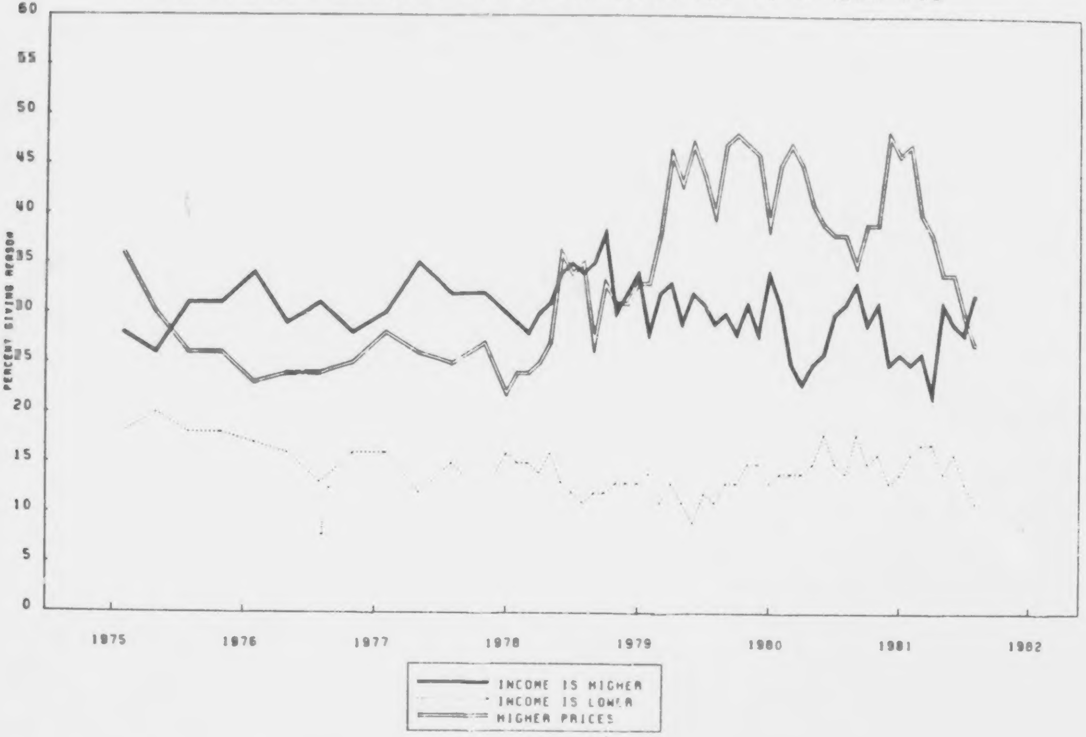


CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

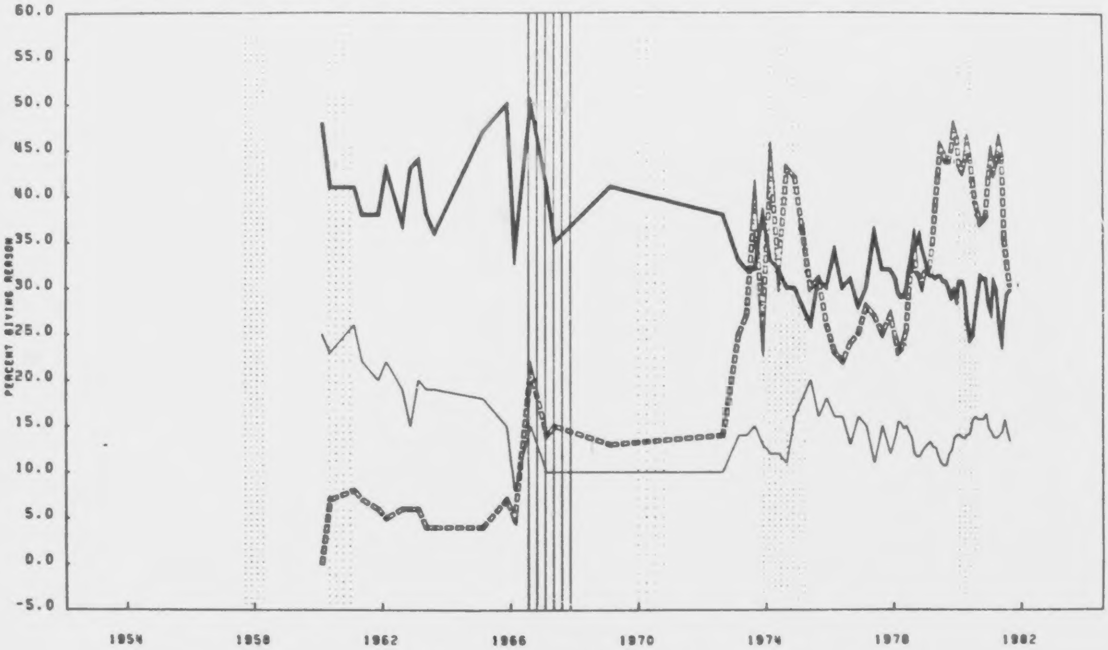


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	33%	29%	31%	25%	26%	25%	26%	22%	31%	29%	28%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	18	15	16	13	14	16	17	17	14	16	13	11
Higher prices	38	35	39	39	48	46	47	40	38	34	34	30	27

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

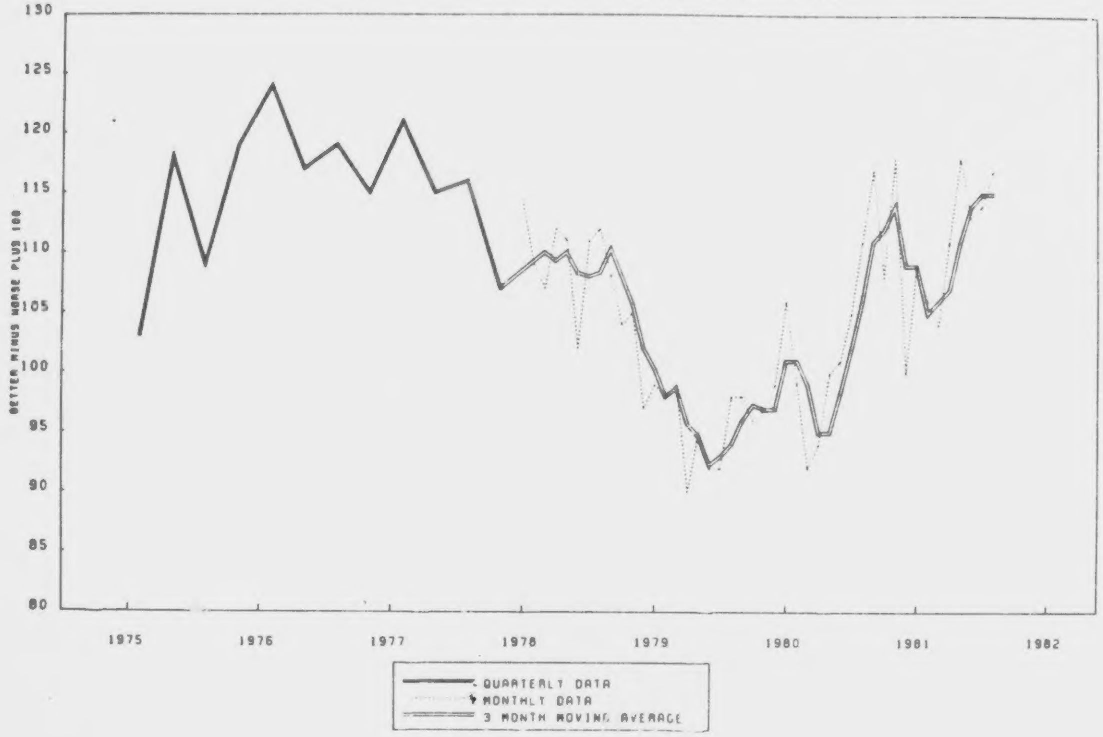


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

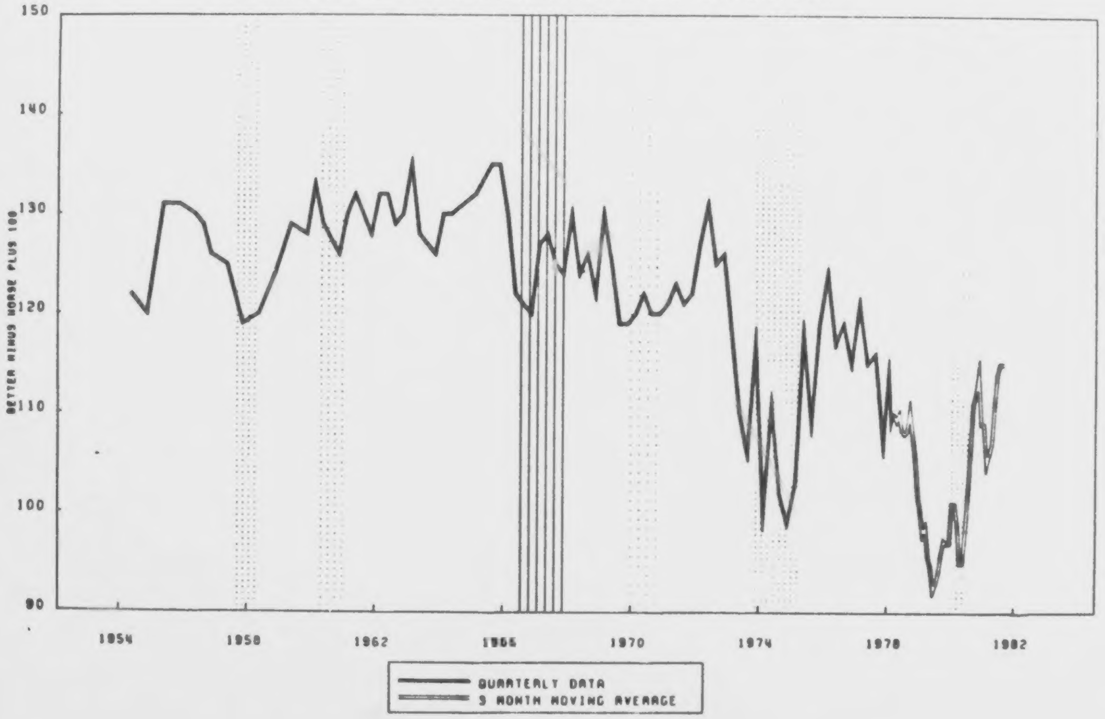


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
BETTER OFF	30%	34%	25%	35%	25%	27%	26%	28%	30%	34%	32%	29%	34%
SAME	48	45	50	42	45	48	48	45	47	48	44	52	46
WORSE OFF	19	17	17	17	25	18	20	24	19	16	19	15	17
DK,NA	3	4	8	6	5	7	6	3	4	2	5	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

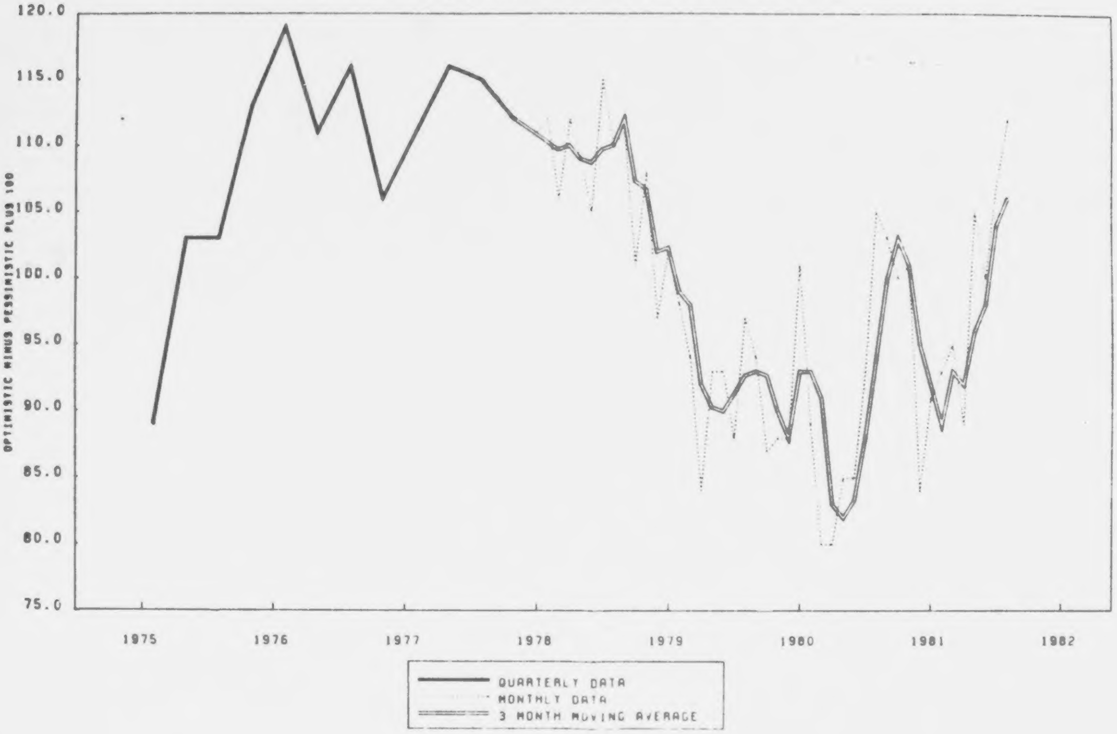


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

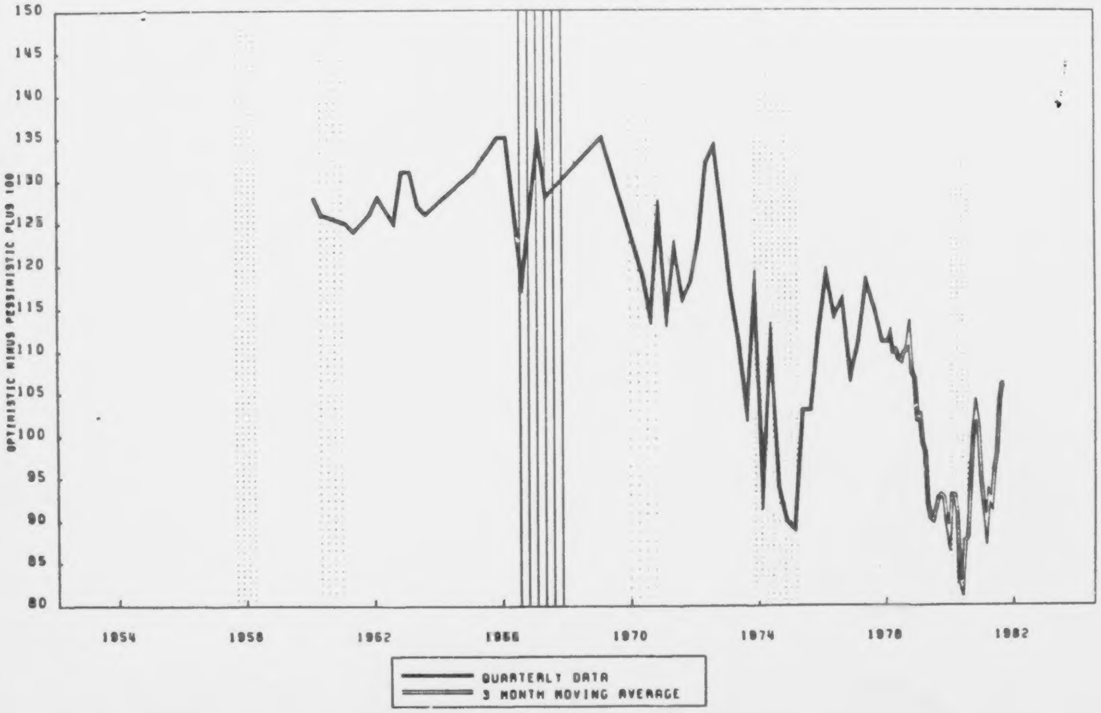


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	14%	12%	13%	9%	10%	8%	12%	11%	15%	13%	15%	14%
Intermittant increase (b)	22	19	20	19	18	17	20	19	16	23	22	22	25
Remain unchanged (c)	16	15	18	13	12	16	15	15	14	15	14	19	18
Intermittant decline (d)	17	21	21	22	28	25	23	22	27	25	24	21	18
Continuous decline (e)	12	9	11	9	15	11	12	14	11	8	11	9	9
Mixed change (f)	18	16	10	18	13	14	16	14	15	12	11	9	12
DK,NA	3	6	8	6	5	7	6	4	6	2	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

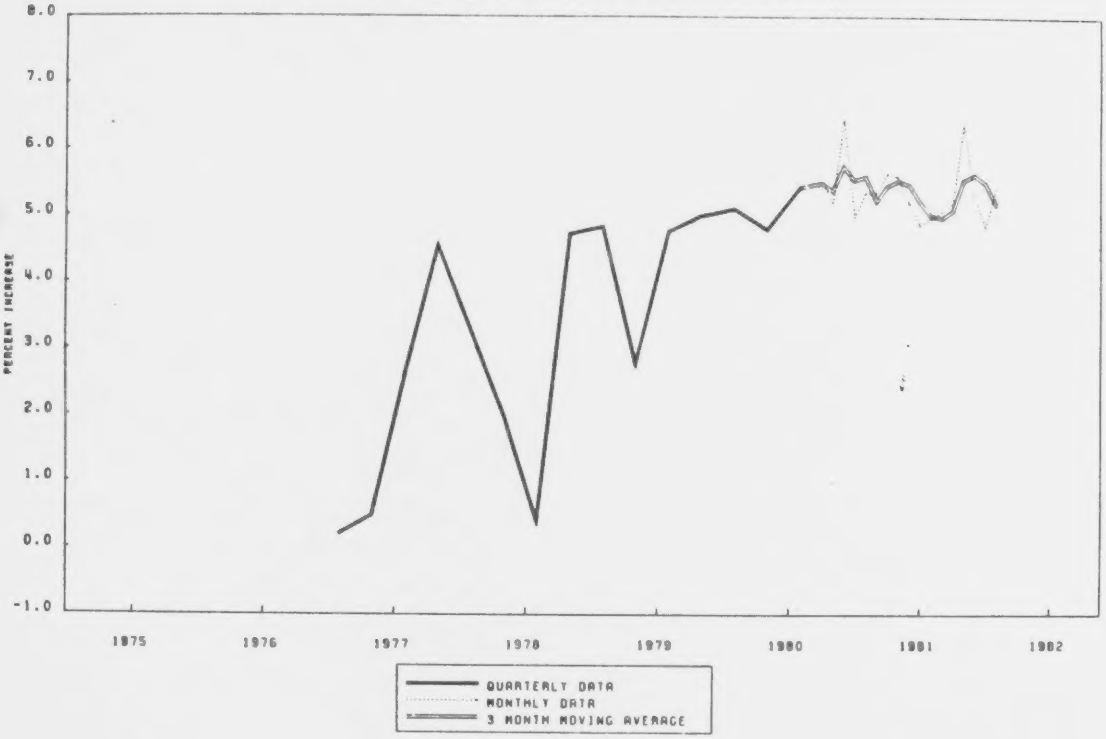


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
EXPECT INCREASE:													
1-4%	6%	7%	8%	5%	8%	6%	8%	7%	6%	6%	6%	7%	5%
5%	10	7	7	10	7	8	7	9	8	10	10	7	8
6-9%	15	16	15	10	12	10	10	11	11	11	10	10	9
10-24%	20	21	21	26	22	21	20	21	22	28	25	21	27
25% or more	6	5	7	7	7	6	7	7	7	8	7	10	6
DK how much up	9	10	10	8	8	9	9	9	9	7	7	5	6
EXPECT SAME	21	21	21	24	22	24	24	21	25	19	21	24	26
EXPECT DOWN	11	10	9	7	11	12	11	12	10	8	11	13	9
DK,NA	2	3	2	3	3	4	4	3	2	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

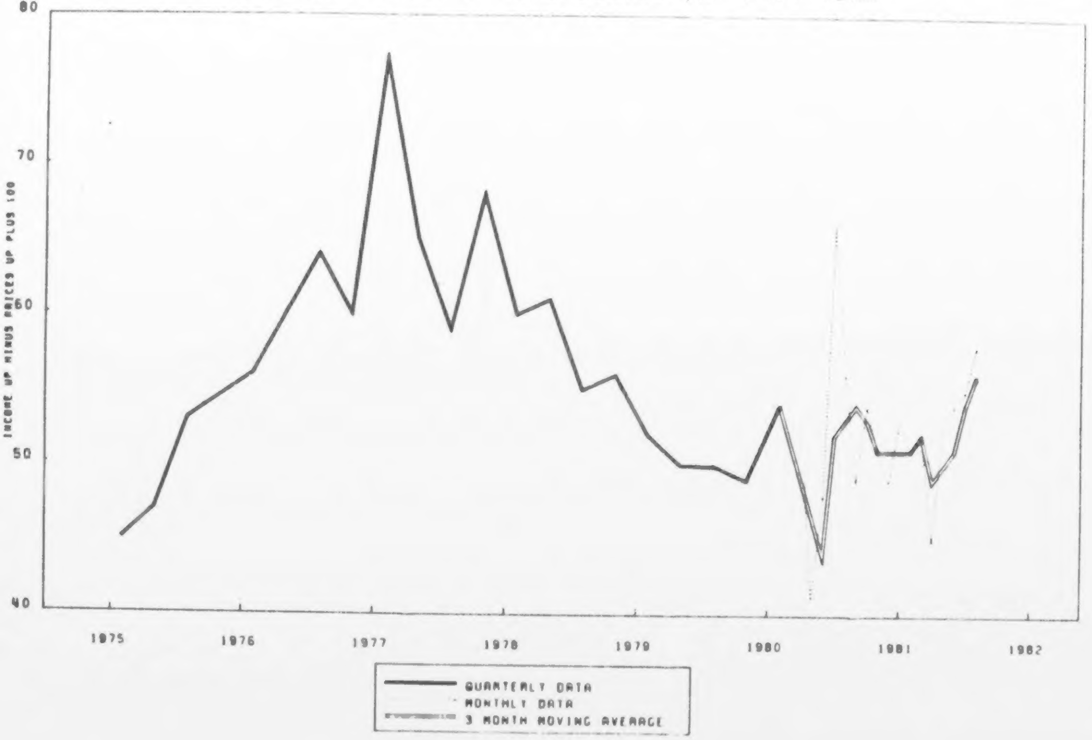


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
INCOME UP MORE	13%	12%	13%	10%	11%	13%	10%	13%	9%	12%	13%	13%	14%
INCOME UP SAME	29	24	25	30	24	25	28	24	26	28	26	25	29
PRICES UP MORE	57	63	59	59	62	60	59	61	64	59	59	58	56
DK,NA	1	1	3	1	3	2	3	2	1	1	2	4	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

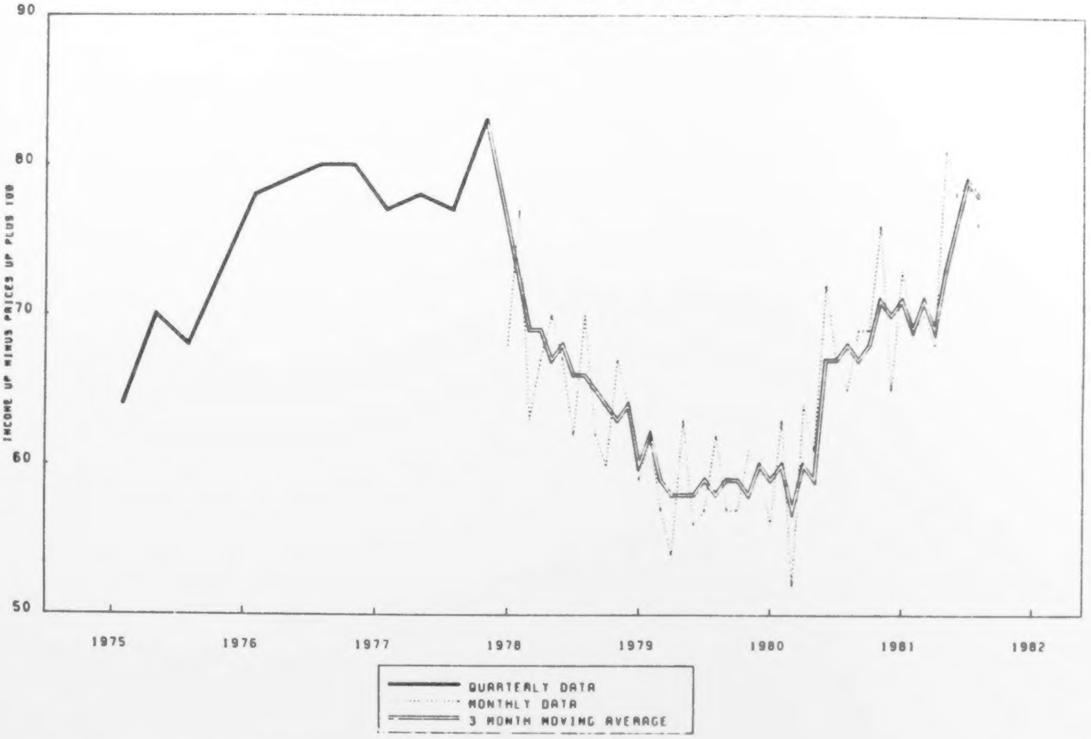


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
INCOME UP MORE	11%	14%	12%	16%	12%	14%	11%	14%	13%	19%	16%	17%	16%
INCOME UP SAME	40	38	42	42	36	39	43	38	39	41	43	41	40
PRICES UP MORE	46	45	43	40	47	41	42	44	45	38	38	38	40
DK,NA	3	3	3	2	5	6	4	4	3	2	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

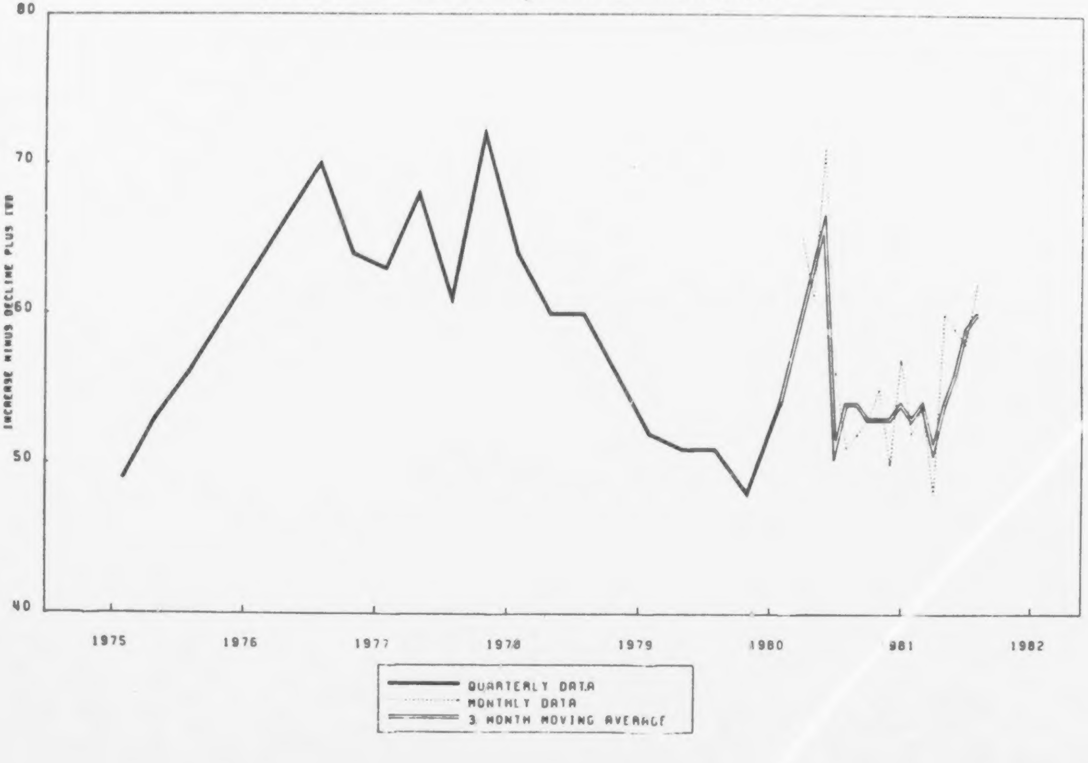


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	3%	5%	6%	6%	5%	6%	4%	6%	4%	6%	6%	8%	7%
Intermittant increase (b)	11	9	6	9	7	8	8	9	7	10	10	7	8
Remain unchanged (c)	17	14	18	17	14	17	18	14	17	16	17	16	20
Intermittant decline (d)	22	23	25	27	24	22	25	26	25	25	25	25	21
Continuous decline (e)	37	39	34	33	38	35	35	35	38	31	32	32	32
Mixed change (f)	6	6	7	5	6	6	5	5	6	9	6	7	8
DK,NA	4	4	4	3	6	6	5	5	3	3	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

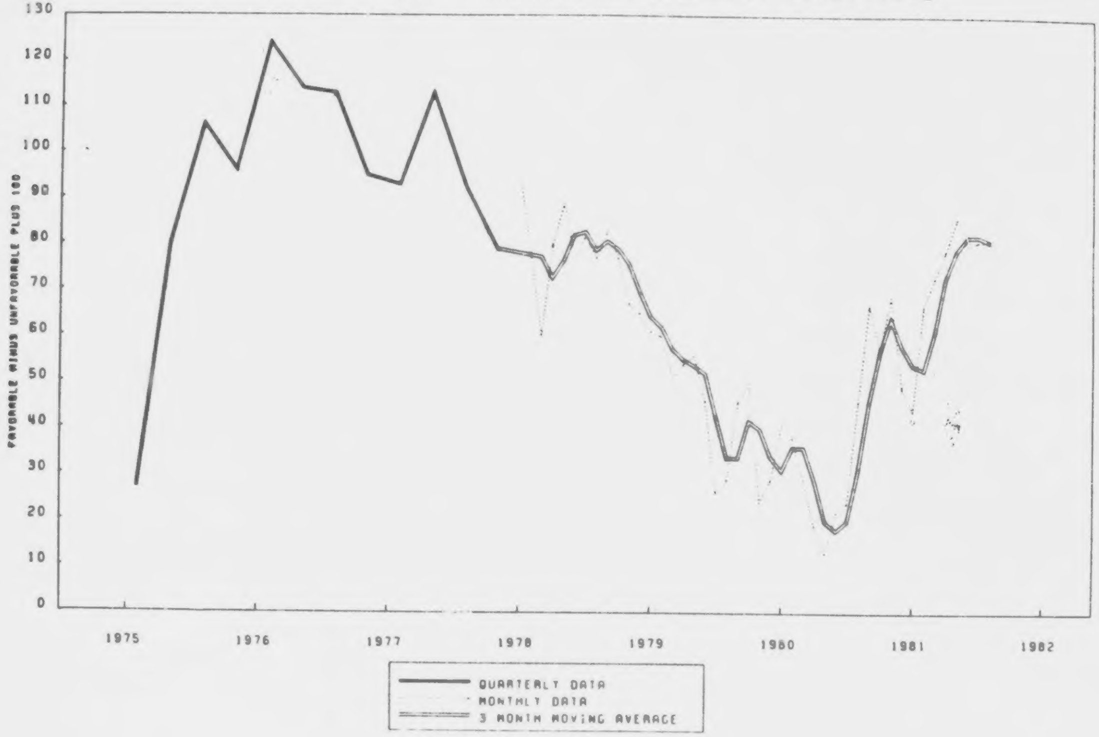


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

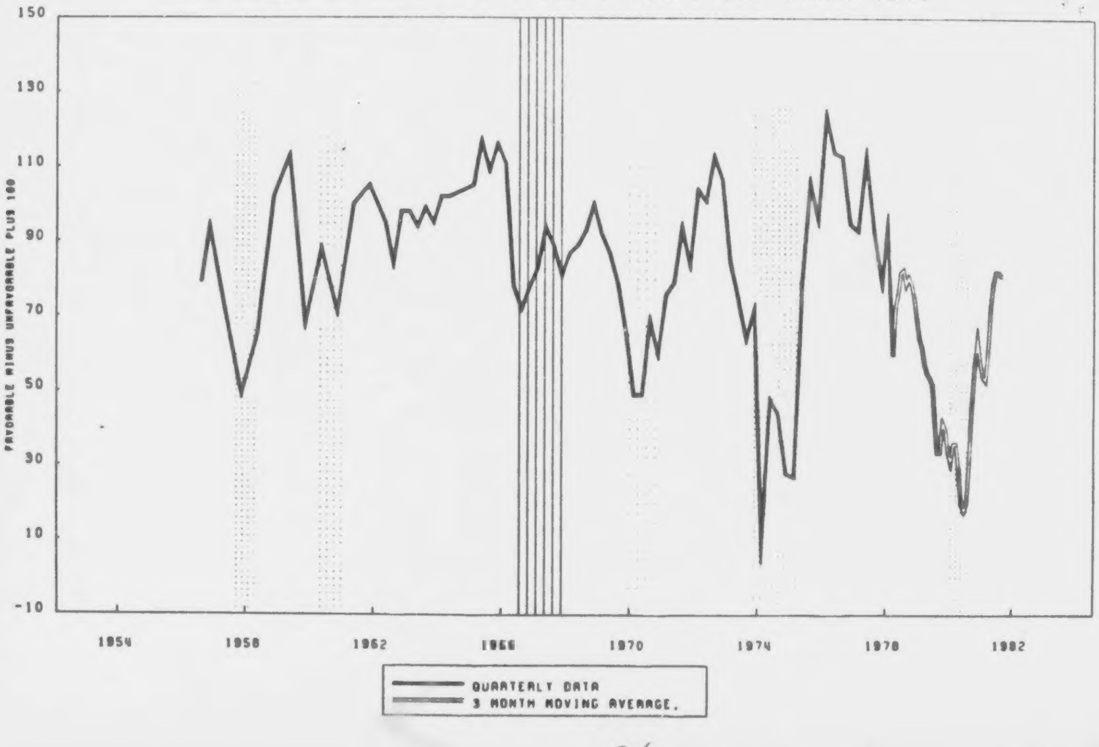


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
FAVORABLE NEWS	24%	30%	29%	27%	17%	19%	23%	30%	28%	31%	24%	27%	28%
UNFAVORABLE NEWS	78	63	72	58	68	75	56	57	49	45	44	46	47
NO MENTIONS	34	38	33	47	44	39	46	42	47	47	52	51	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
FAVORABLE NEWS:													
Government; elections	1%	2%	1%	7%	4%	4%	9%	9%	6%	4%	6%	4%	7%
Employment	7	7	10	7	5	4	5	8	7	8	4	7	8
Consumer demand high	1	3	3	2	1	2	1	1	3	4	1	3	2
Prices are low	*	1	2	1	*	*	1	1	2	2	3	4	2
Credit is easy	8	7	3	1	*	3	3	4	5	2	2	2	2
UNFAVORABLE NEWS:													
Government; elections	3	1	4	3	2	4	5	7	7	4	4	5	6
Unemployment	31	25	26	21	18	19	15	19	19	14	16	16	17
Consumer demand low	12	8	8	8	11	14	9	10	6	6	3	4	5
Prices are high	13	10	10	9	8	11	10	6	6	4	5	5	3
Credit is tight	5	8	12	9	19	14	7	4	4	7	9	7	7
Energy crisis	1	*	1	*	1	1	*	1	*	*	*	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

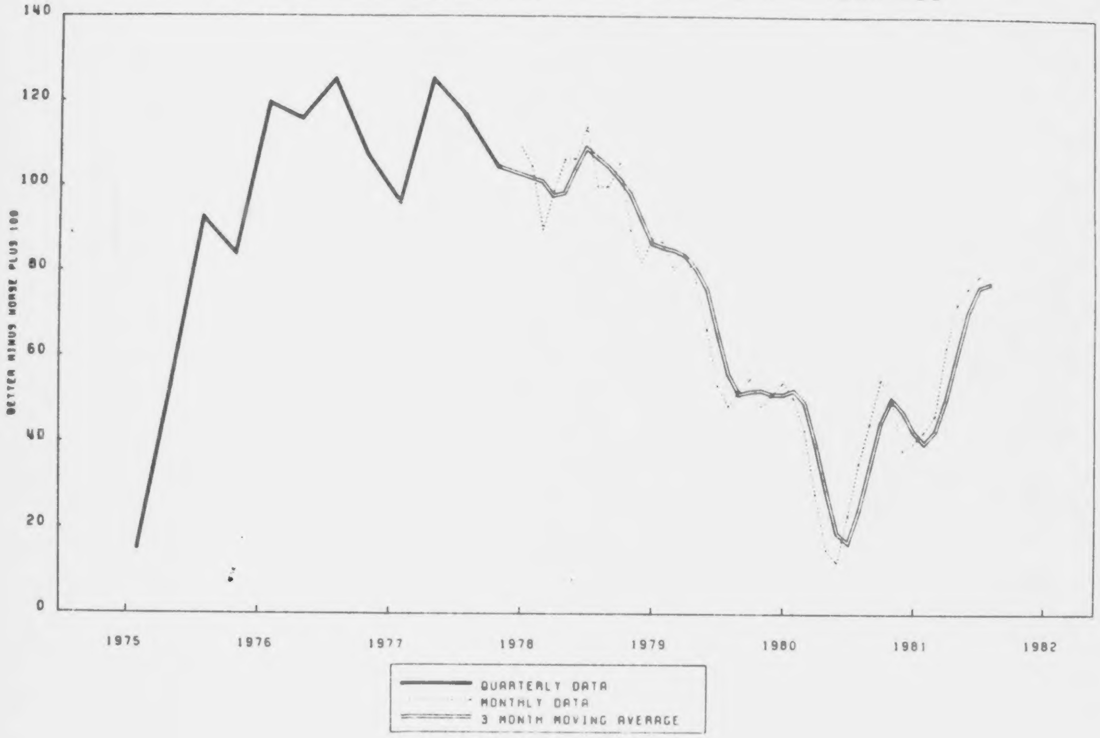


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

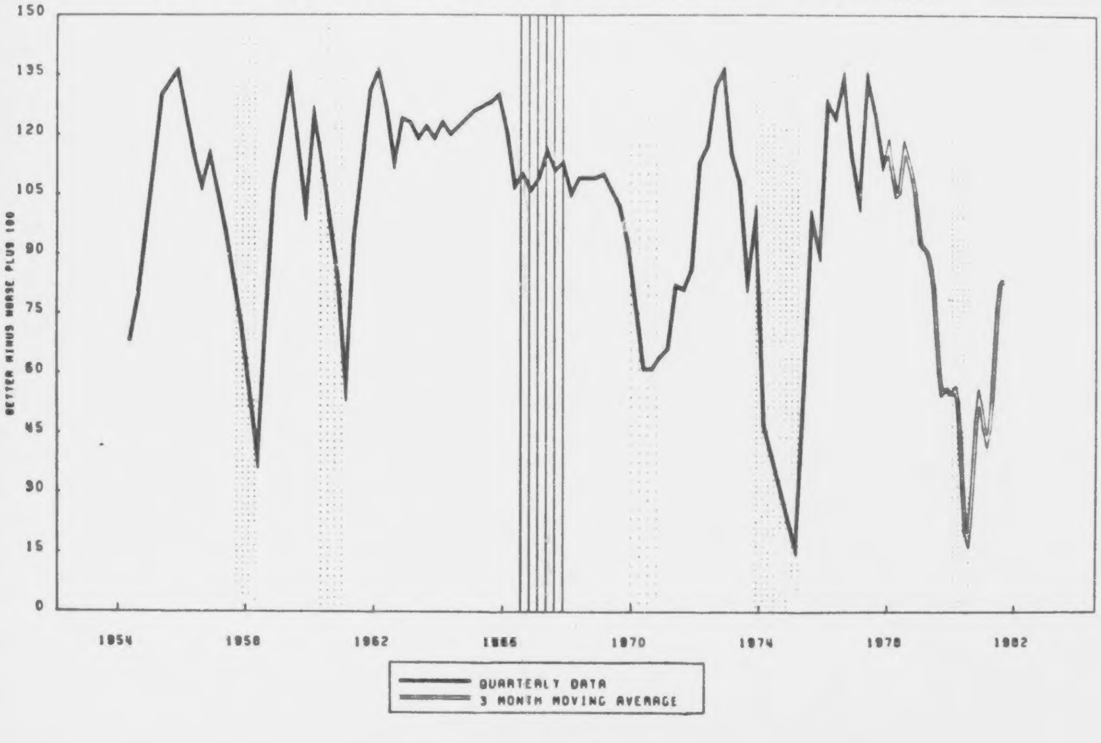


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
BETTER NOW	15%	18%	23%	21%	13%	14%	14%	17%	24%	30%	31%	32%	33%
SAME	7	10	10	10	12	13	15	14	17	17	18	18	15
WORSE NOW	77	70	64	67	72	71	68	67	57	52	49	47	50
DK,NA	1	2	3	2	3	2	3	2	2	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

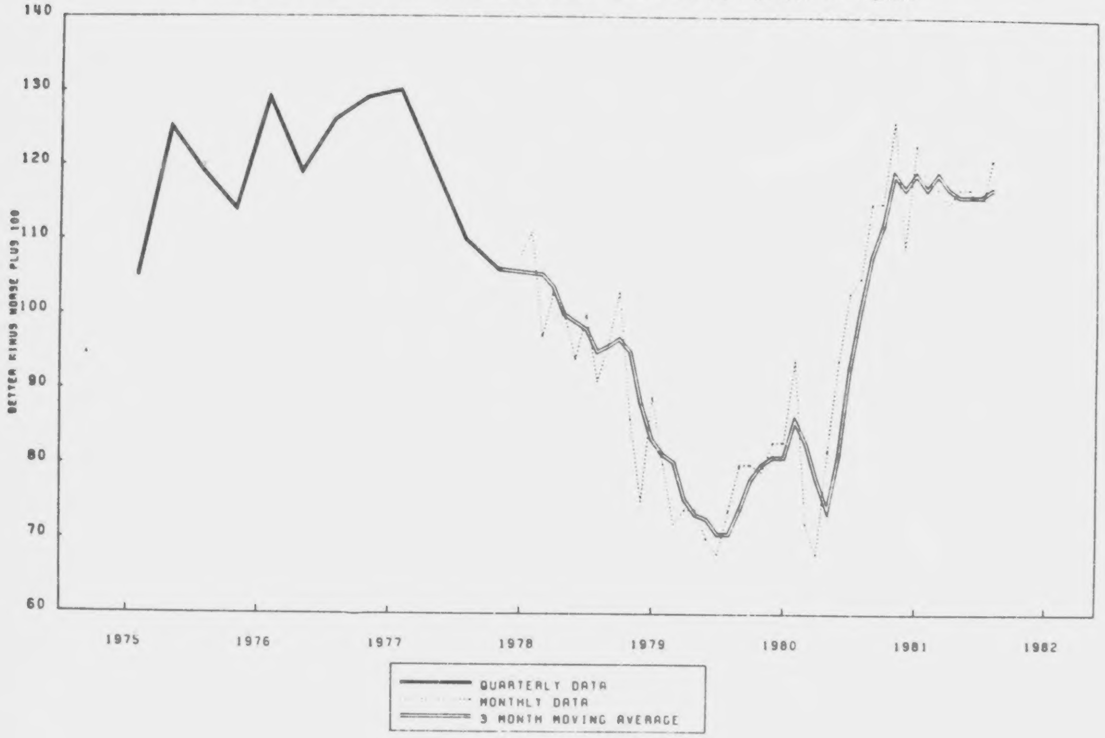


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

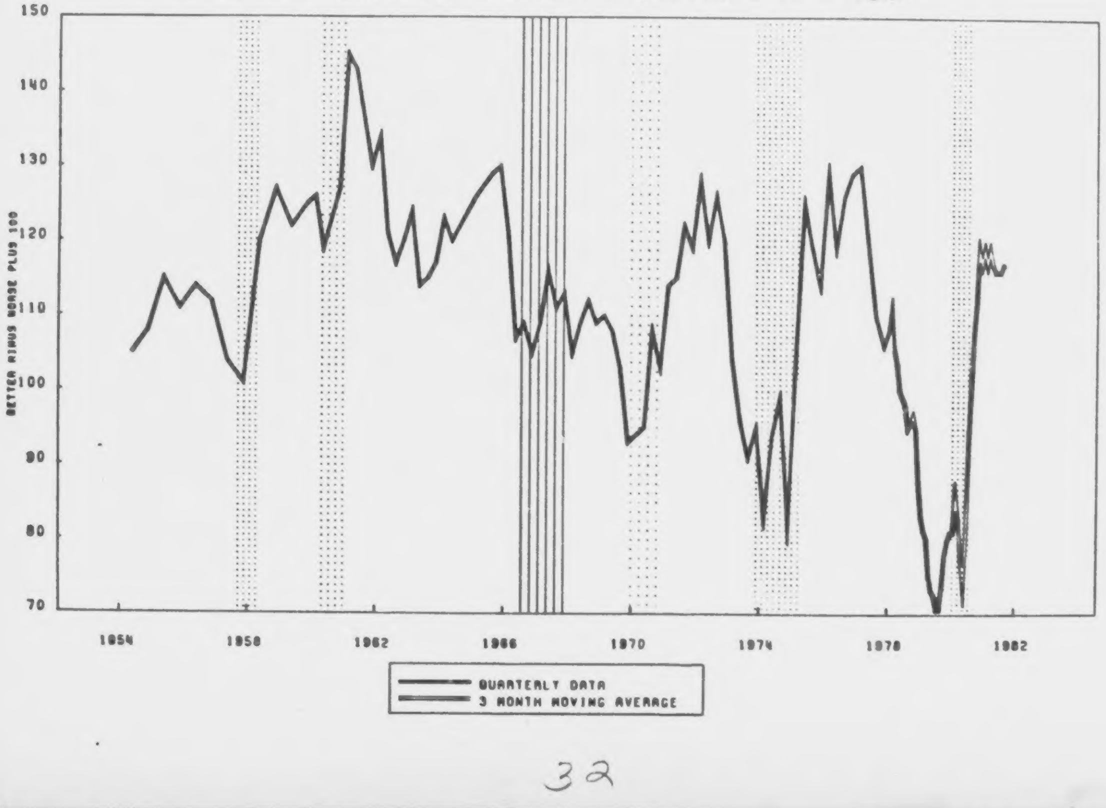


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
BETTER	28%	32%	33%	40%	29%	39%	34%	38%	36%	36%	36%	34%	38%
SAME	44	47	44	42	46	42	46	38	41	44	42	44	43
WORSE	23	17	18	14	20	16	16	21	21	19	19	20	17
DK,NA	5	4	5	4	5	3	4	3	2	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
FAVORABLE REASONS:													
Government; elections	14%	15%	16%	34%	27%	35%	32%	32%	31%	25%	25%	21%	29%
Employment	4	5	5	5	3	4	2	4	4	4	3	3	3
Higher consumer demand	3	4	5	3	2	2	3	2	2	2	3	2	3
Lower prices	1	3	3	2	3	2	2	3	2	3	2	4	3
Easier credit	3	3	2	3	2	4	2	2	2	3	4	3	4
UNFAVORABLE REASONS:													
Government; elections	7	7	11	7	8	7	7	9	8	8	12	11	12
Unemployment	7	6	4	5	8	7	6	6	6	5	8	9	6
Lower consumer demand	7	3	2	2	6	5	4	4	5	4	4	5	3
Higher prices	14	10	10	8	10	8	12	8	10	6	8	7	4
Tighter credit	2	2	2	2	7	4	2	2	2	3	3	5	6
Energy crisis	1	1	1	1	*	1	1	1	*	*	1	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

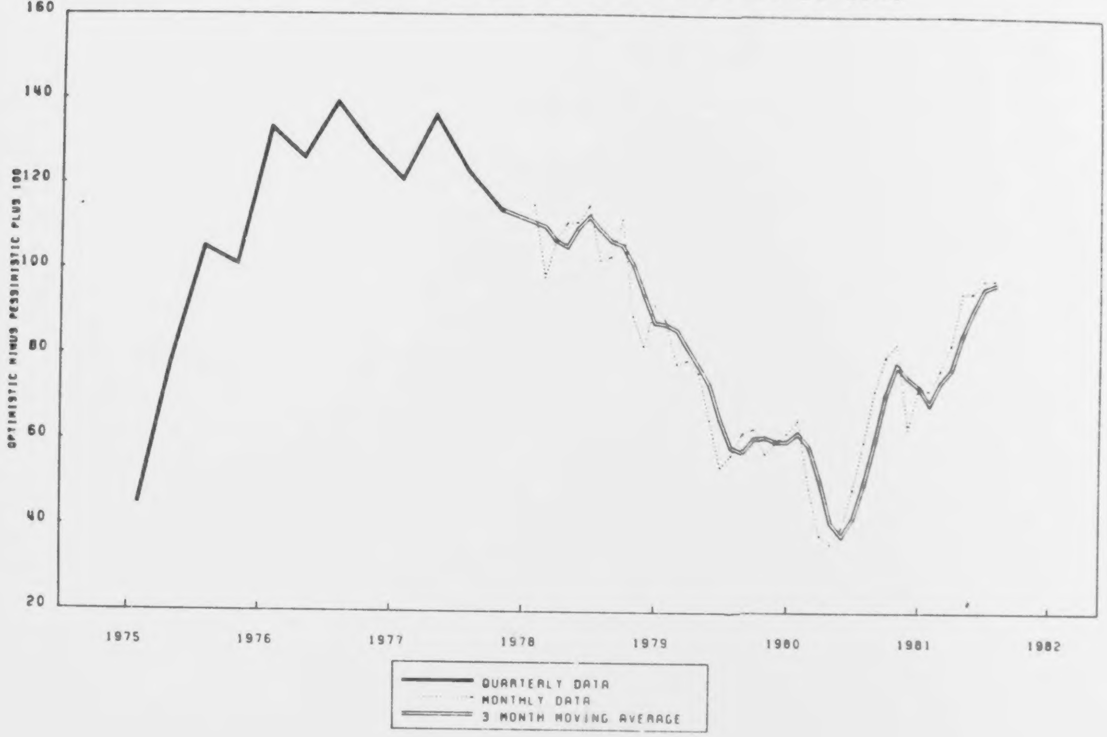


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

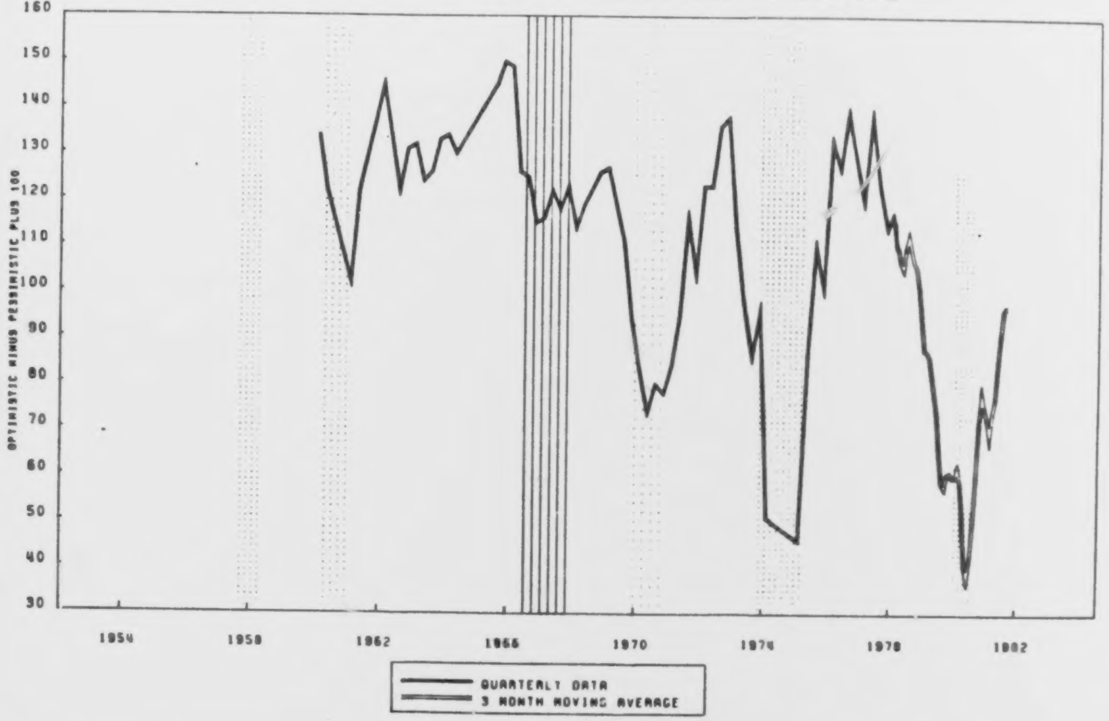


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
TREND:													
Continuous increase (a)	5%	9%	9%	11%	5%	6%	7%	9%	15%	14%	19%	15%	18%
Intermittant increase (b)	9	10	13	14	10	11	12	12	13	17	16	21	17
Remain unchanged (c)	3	6	5	4	5	7	7	6	8	10	8	8	7
Intermittant decline (d)	35	33	28	29	36	30	33	27	29	24	25	24	25
Continuous decline (e)	19	14	14	13	16	14	14	17	16	12	15	14	12
Mixed change (f)	23	23	23	24	21	27	21	25	16	20	12	13	18
DK,NA	6	5	8	5	7	5	6	4	3	3	5	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

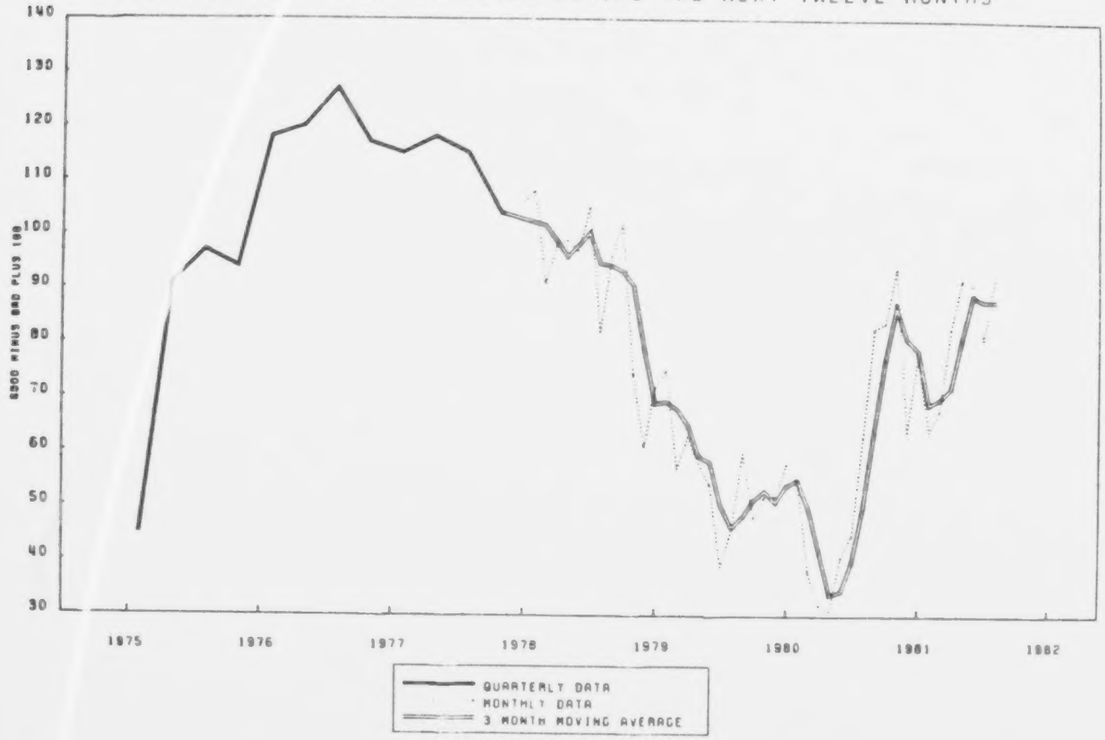


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

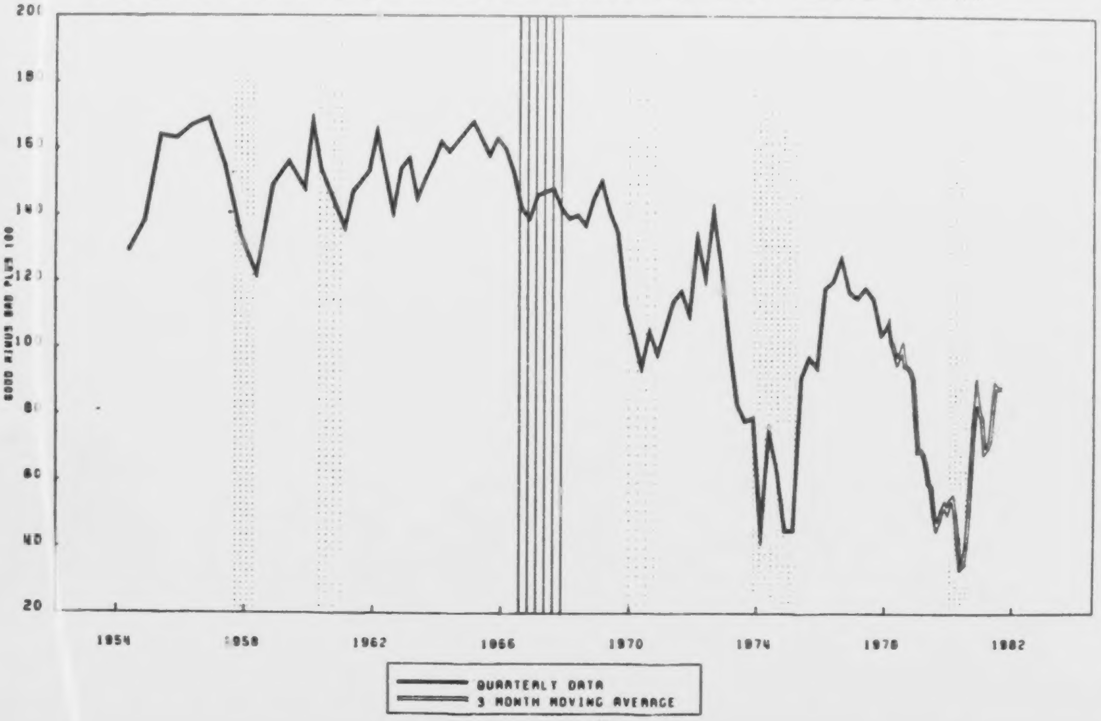


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIMES	25%	35%	33%	39%	26%	31%	26%	27%	36%	41%	41%	35%	40%
UNCERTAIN; GOOD & BAD	2	2	2	2	1	2	2	3	3	3	2	2	4
BAD TIMES	62	52	49	45	62	53	62	59	53	49	50	54	48
DON'T KNOW	7	7	8	8	7	10	6	6	6	5	5	5	5
NOT ASCERTAINED	4	4	8	6	4	4	4	5	2	2	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

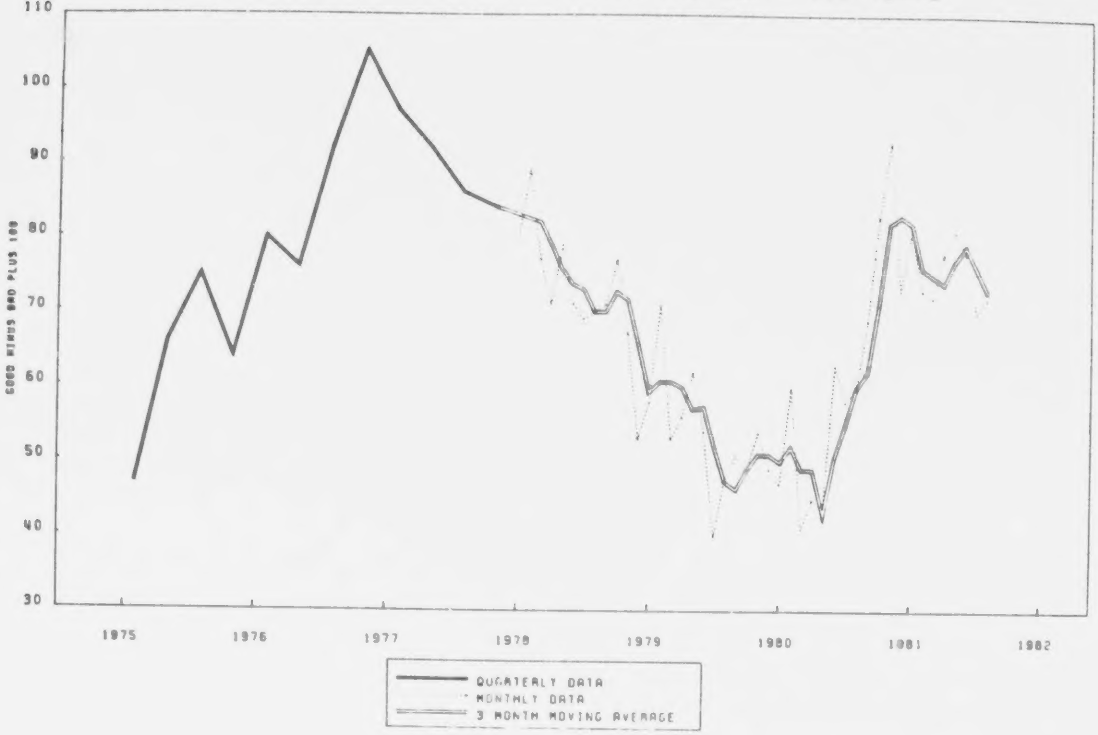


CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

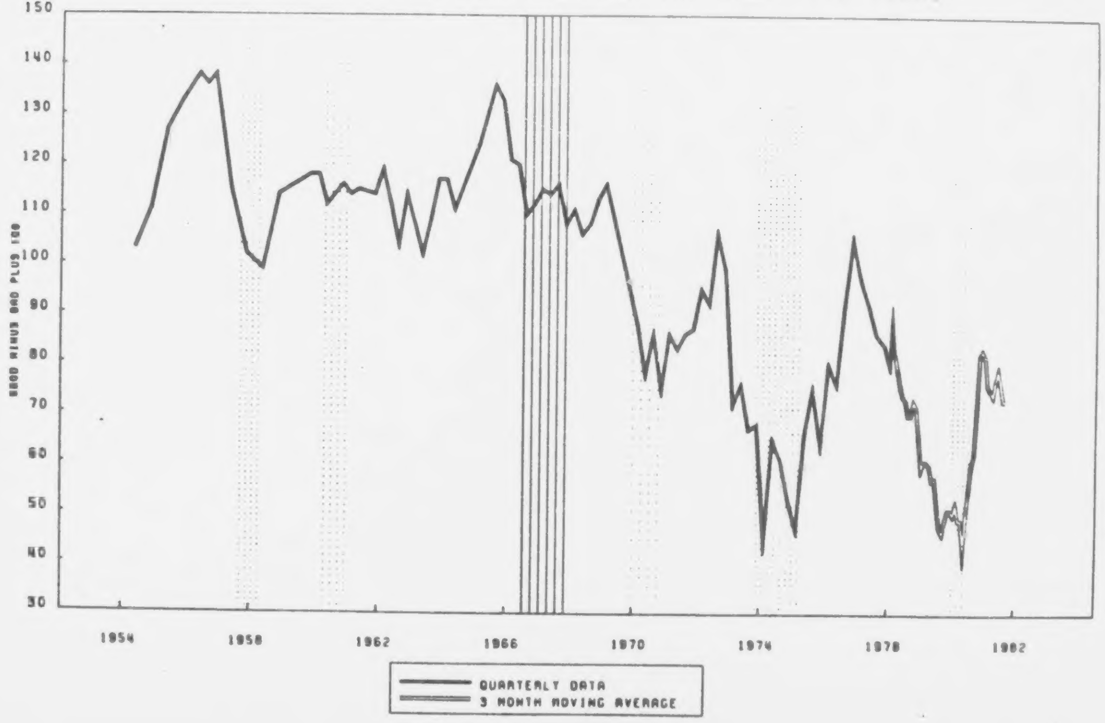


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIMES	19%	25%	27%	36%	25%	30%	28%	27%	30%	33%	33%	27%	28%
UNCERTAIN; GOOD & BAD	16	14	19	15	16	15	12	14	13	11	9	11	12
BAD TIMES	59	56	44	43	52	49	55	55	52	52	55	57	56
NOT ASCERTAINED	6	5	10	6	7	6	5	4	5	4	3	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

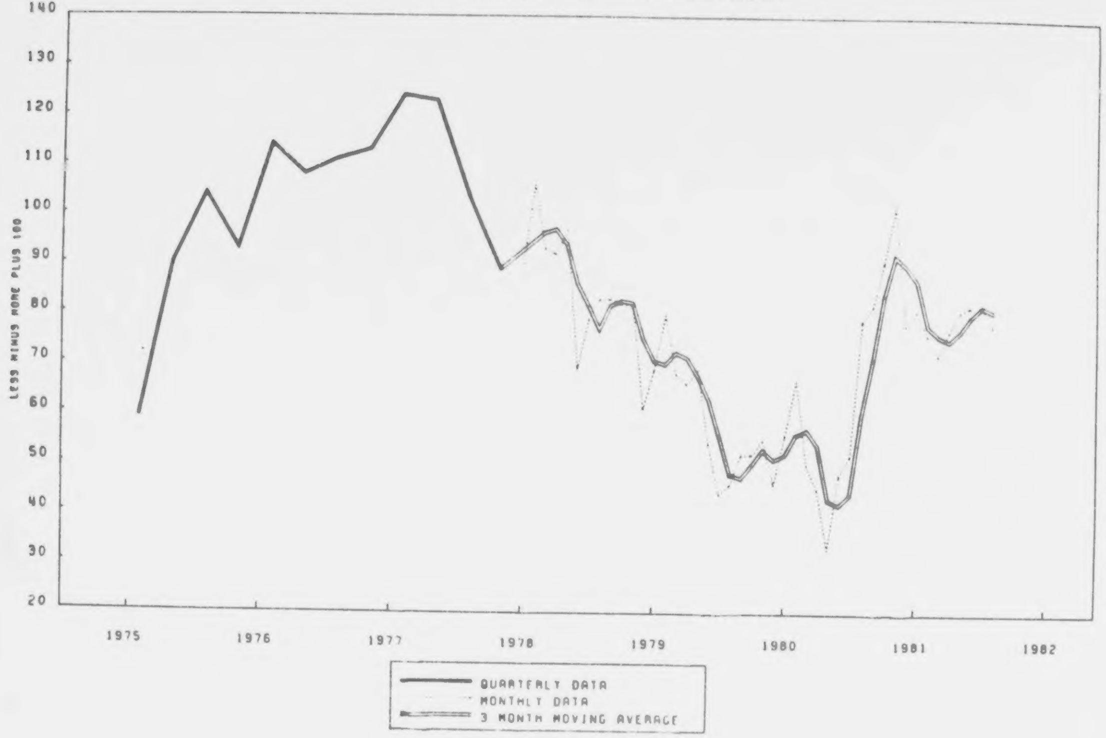


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

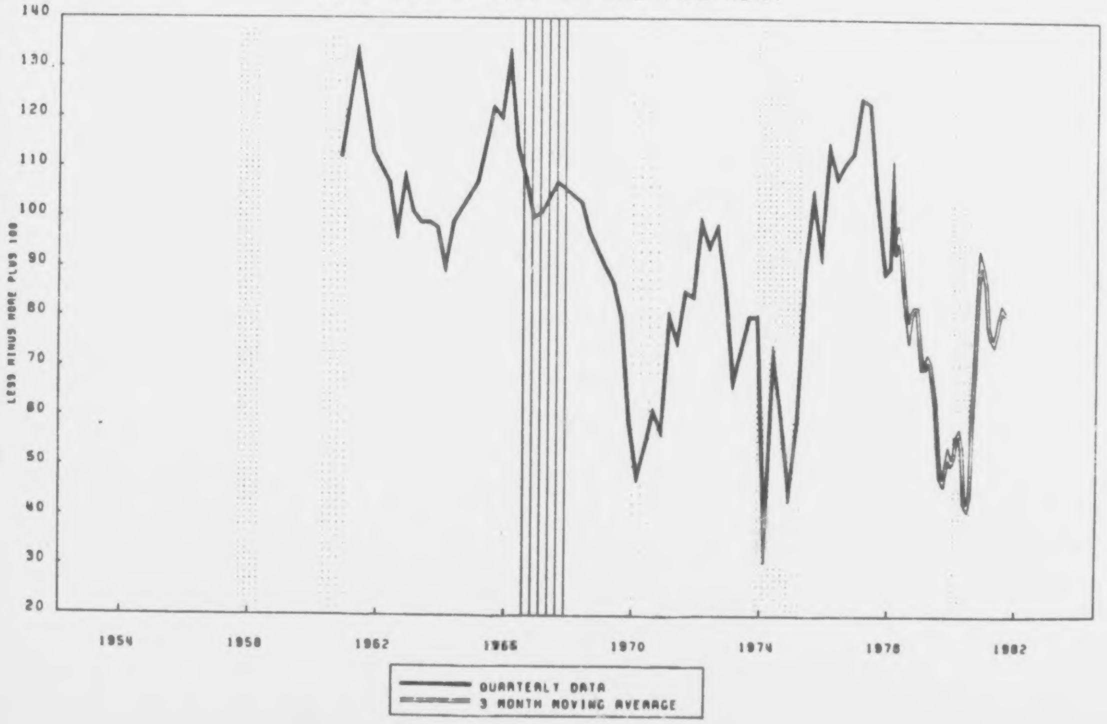


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
LESS	19%	22%	21%	26%	17%	19%	16%	13%	17%	17%	18%	18%	14%
SAME	38	36	46	47	41	41	42	43	41	46	44	44	47
MORE	40	40	30	24	39	38	40	41	40	36	36	36	36
DK,NA	3	2	3	3	3	2	2	3	2	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

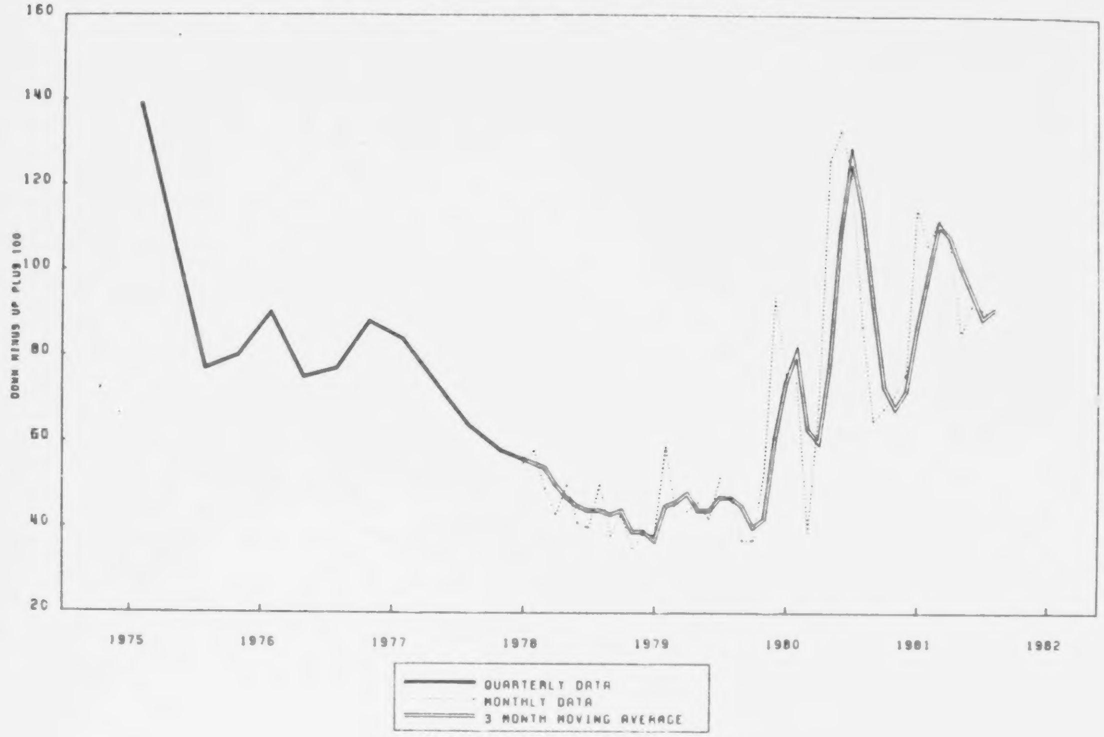


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

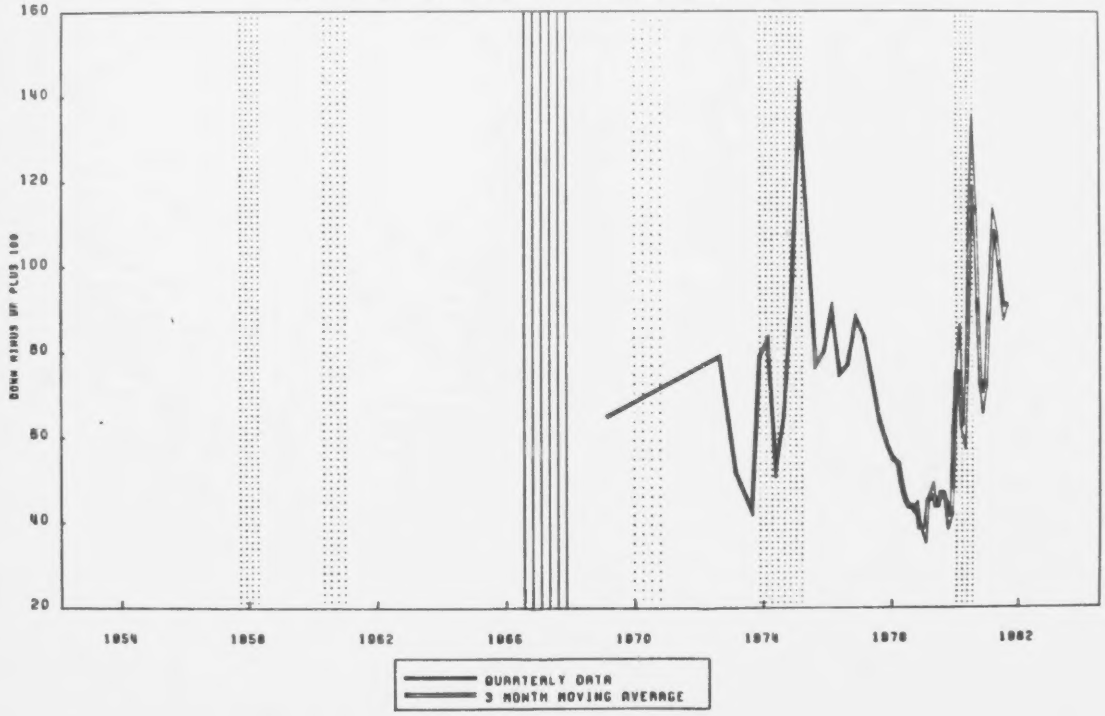


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GO UP	39%	53%	49%	51%	53%	29%	31%	29%	31%	41%	38%	38%	37%
STAY THE SAME	30	25	26	22	14	20	24	26	27	30	27	28	34
GO DOWN	26	18	17	22	29	44	37	41	38	26	30	29	26
DK,NA	5	4	8	5	4	7	8	4	4	3	5	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

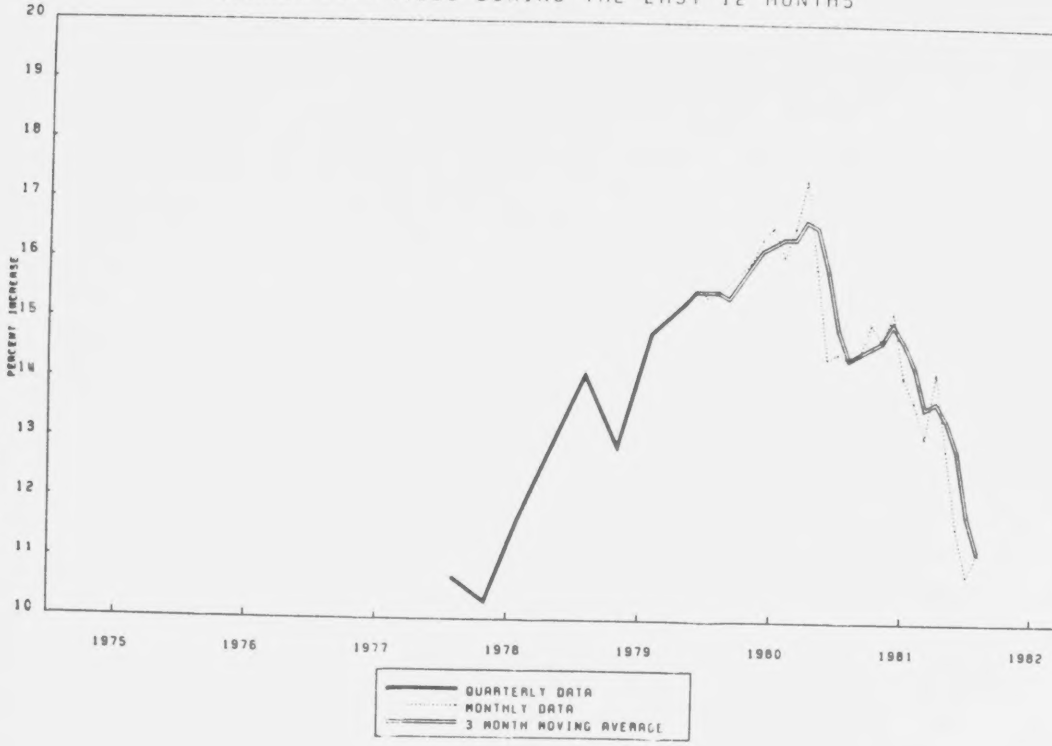


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
SAME OR DOWN	4%	4%	2%	3%	2%	3%	2%	4%	4%	5%	9%	10%	11%
GONE UP BY:													
1-2%	2	2	3	2	2	2	3	2	4	2	4	3	4
3-4%	6	5	4	4	3	4	4	4	5	7	6	6	7
5%	8	7	11	7	9	7	8	7	6	8	8	8	8
6-9%	12	9	11	12	9	8	8	10	12	10	10	10	10
10-14%	20	24	23	27	26	31	32	29	26	31	25	23	24
15% or more	32	31	32	29	32	28	25	25	30	27	22	20	21
DK how much up	15	17	14	16	16	17	17	18	13	10	16	20	15
DK,NA	1	1	*	*	1	*	1	1	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6	10.8	11.2
VARIANCE	160	151	169	161	158	130	128	111	156	123	112	104	107
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

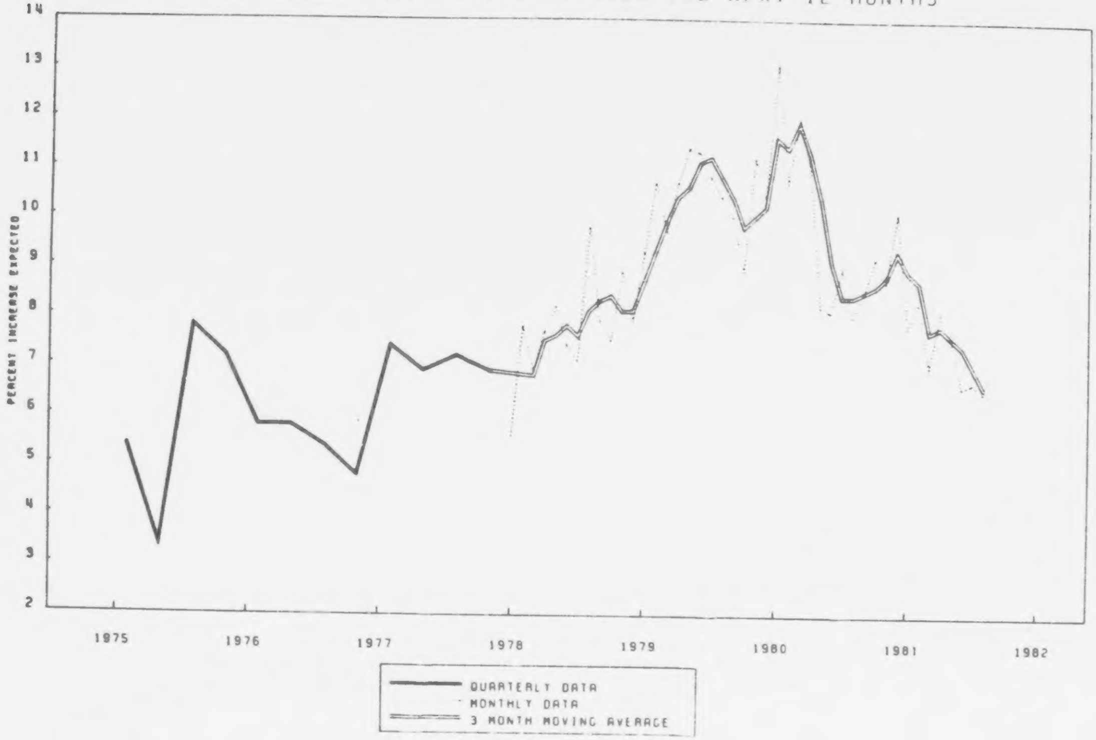


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

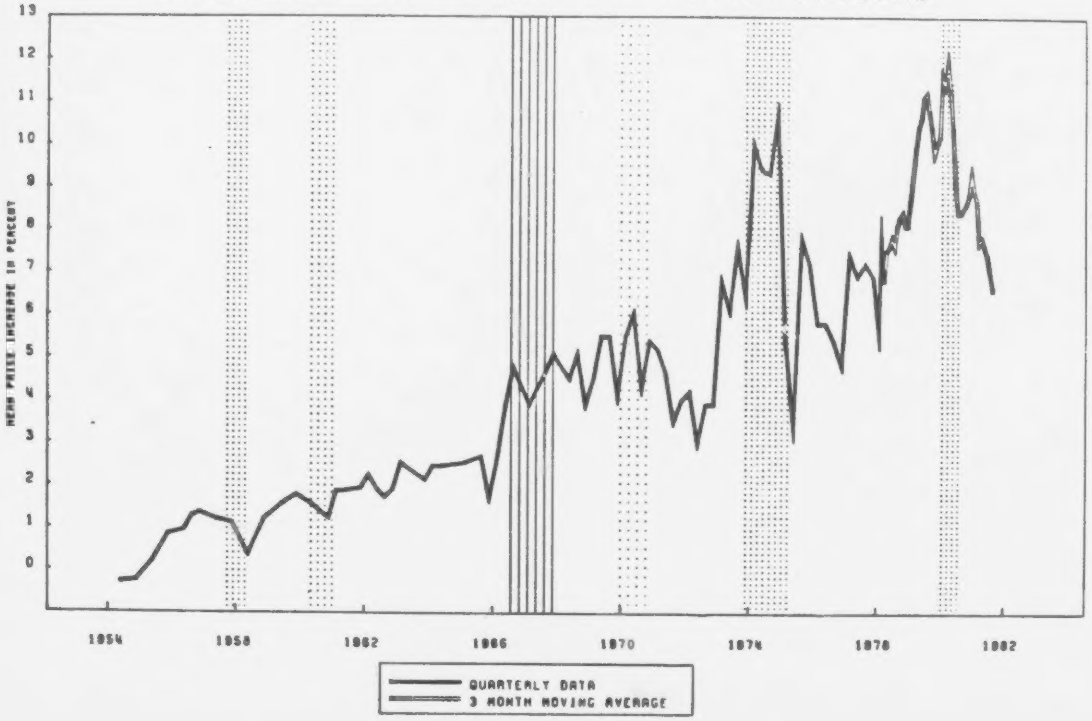


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
SAME OR DOWN	18%	17%	20%	25%	17%	21%	18%	26%	27%	25%	31%	31%	28%
WILL GO UP BY:													
1-2%	6	5	3	3	3	3	5	2	4	2	4	2	6
3-4%	7	5	6	5	5	6	9	8	7	8	6	6	6
5%	11	11	10	8	9	7	9	11	9	10	8	10	12
6-9%	12	10	10	12	11	12	12	11	9	13	12	15	11
10-14%	24	23	24	20	25	28	23	20	20	22	21	16	16
15% or more	10	13	16	14	18	9	12	9	14	11	10	10	10
DK how much up	11	13	9	11	10	11	10	11	8	7	7	10	8
DK,NA	1	3	2	2	2	3	2	2	2	2	1	*	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6	6.7	6.5
VARIANCE	71	68	100	102	107	54	74	57	97	79	57	71	60
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

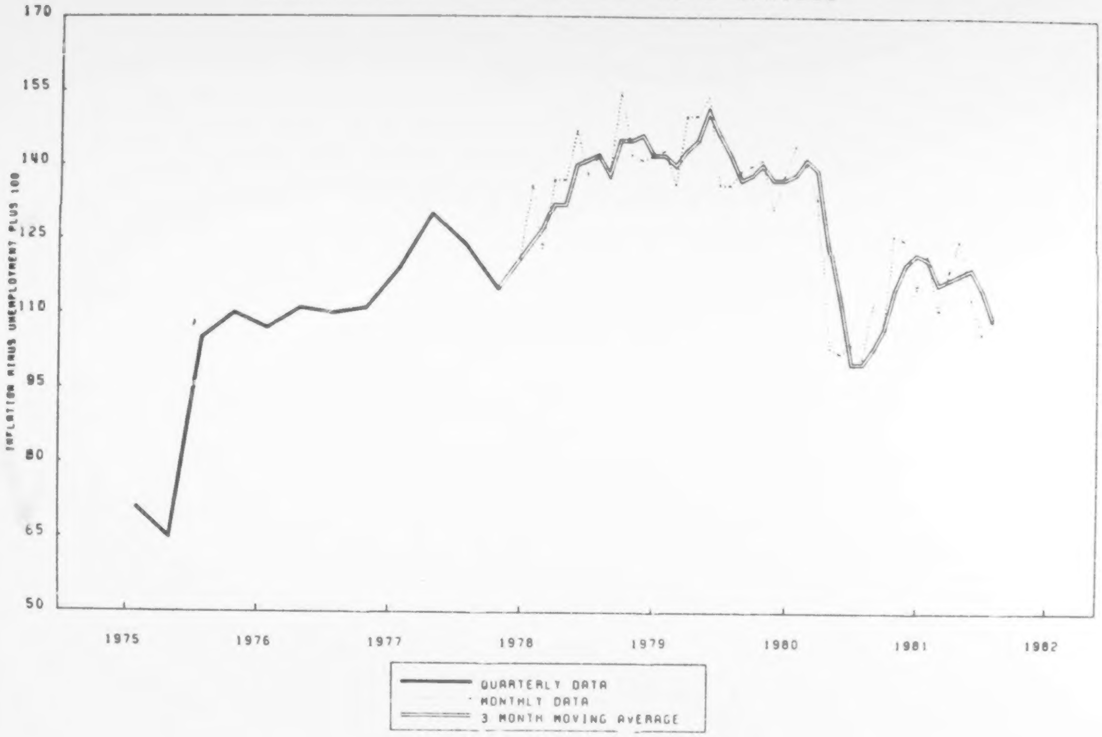


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

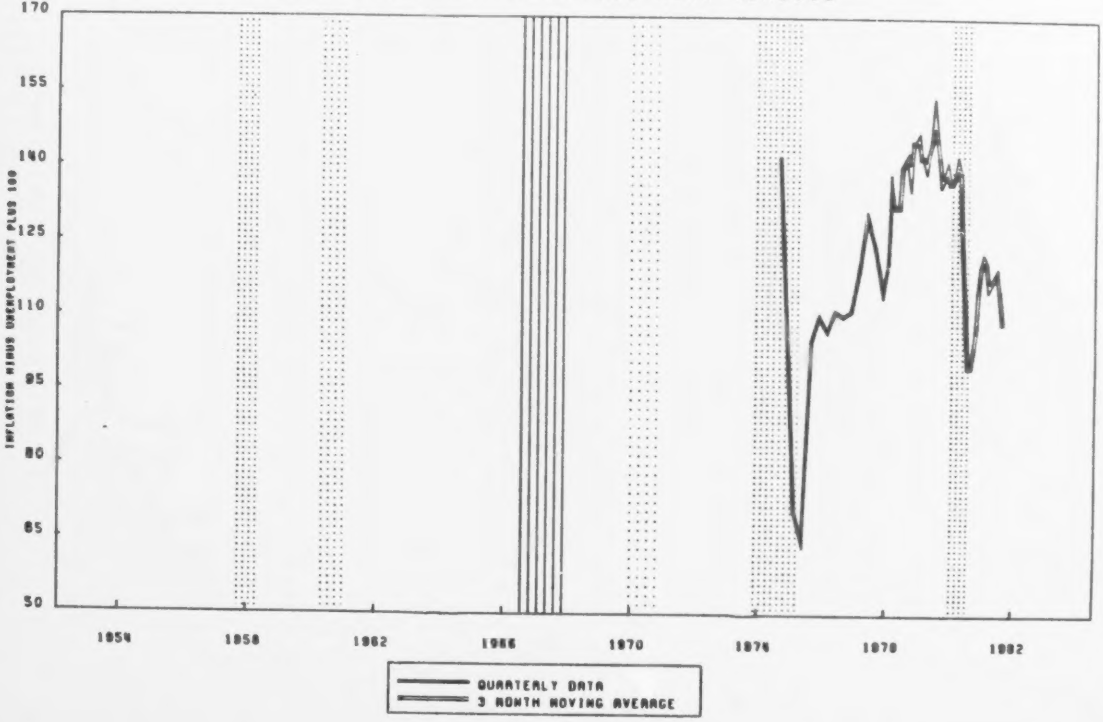


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
UNEMPLOYMENT	43%	38%	40%	31%	32%	34%	34%	39%	35%	33%	36%	42%	39%
BOTH EQUALLY SERIOUS	10	9	11	11	9	14	8	11	8	8	14	9	11
INFLATION	44	50	48	57	57	49	56	49	54	58	49	48	48
DK,NA	3	3	1	1	2	3	2	1	3	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

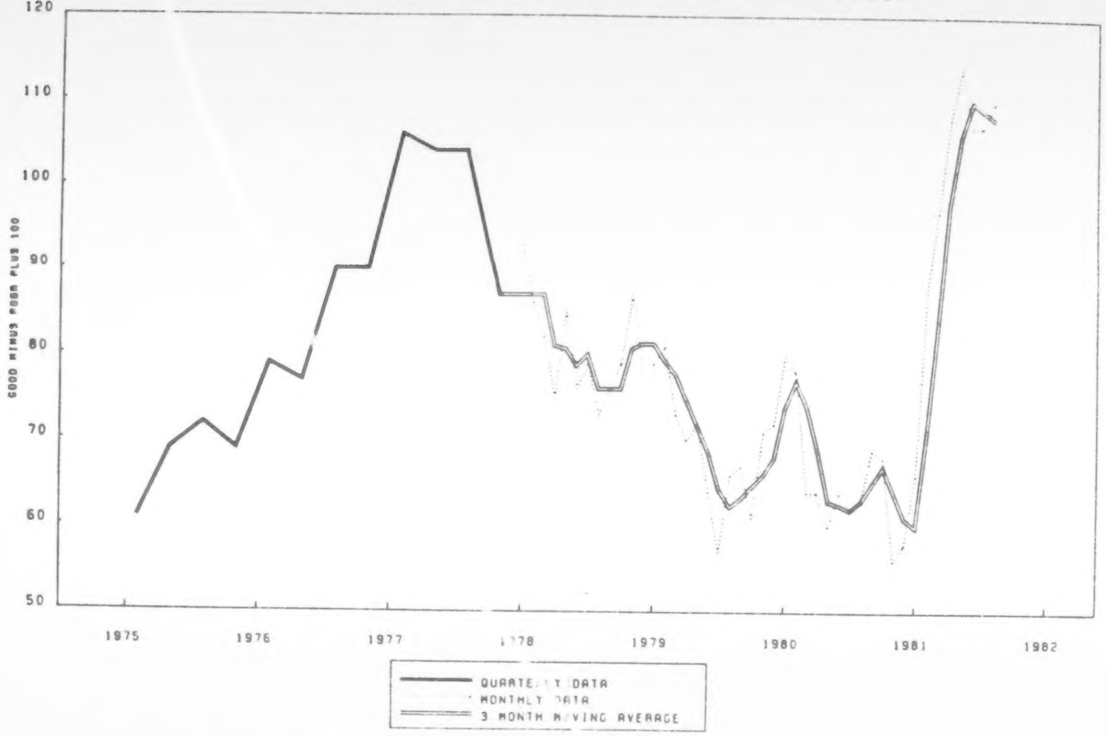


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

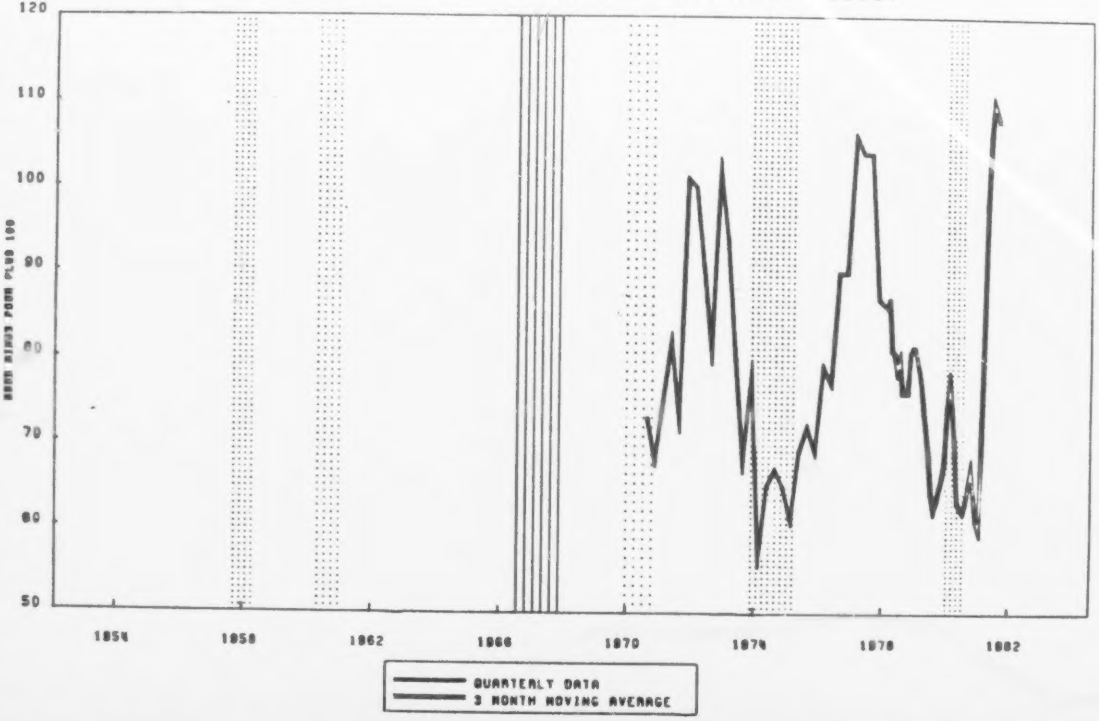


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
A GOOD JOB	8%	10%	8%	6%	7%	10%	19%	22%	28%	30%	25%	28%	31%
ONLY FAIR	45	46	50	41	42	42	40	45	47	49	54	47	44
A POOR JOB	45	41	40	50	49	44	31	25	20	16	18	21	21
DK,NA	2	3	2	3	2	4	10	8	5	5	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

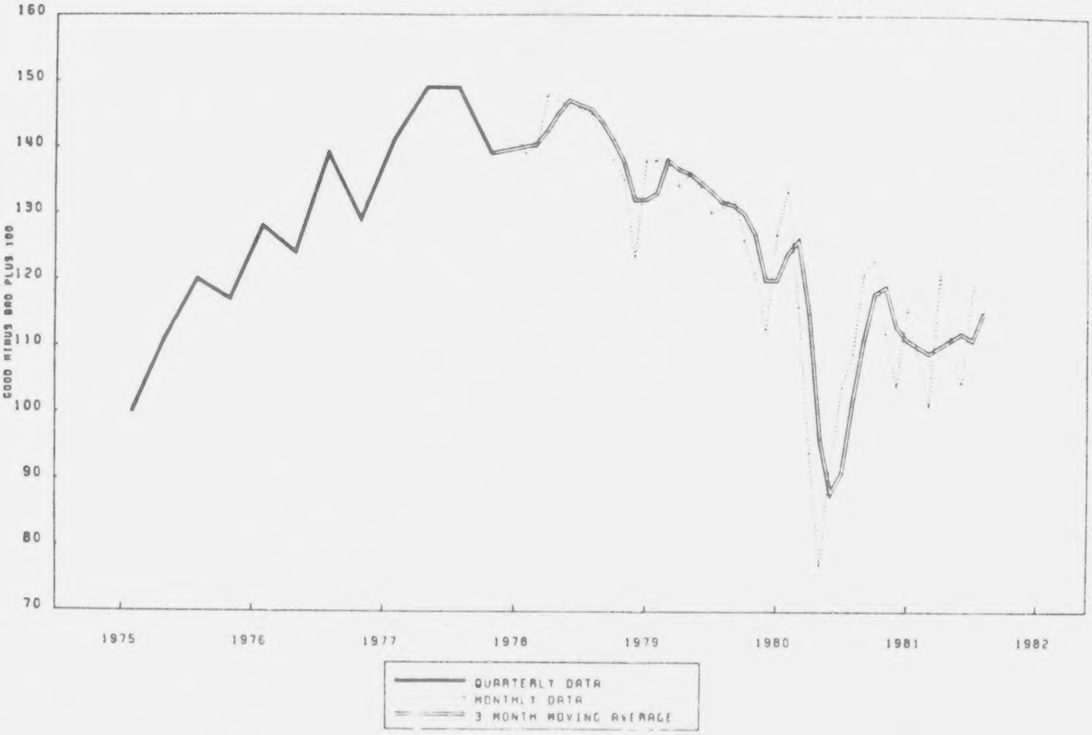


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

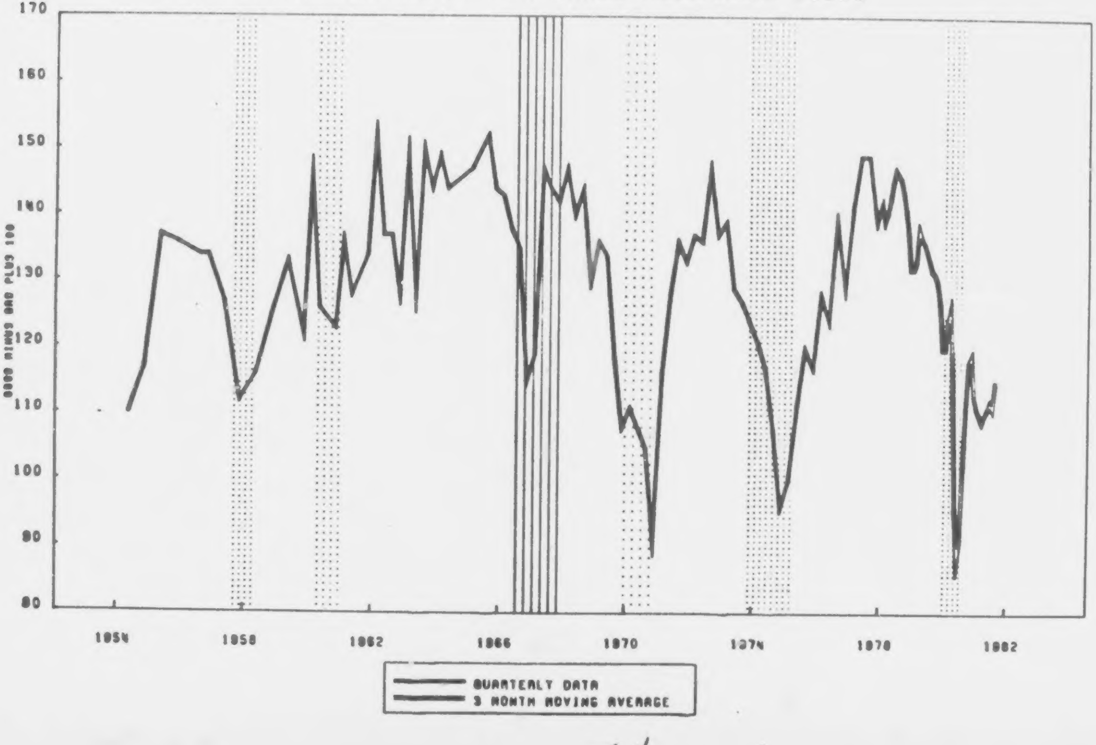


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY	47%	52%	55%	50%	45%	50%	47%	43%	54%	50%	44%	53%	55%
UNCERTAIN, DEPENDS	15	17	13	12	14	16	15	15	13	11	16	12	13
BAD TIME TO BUY	38	31	32	38	41	34	38	42	33	39	40	35	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	18%	20%	20%	17%	23%	23%	22%	21%	16%	20%	24%	24%
Prices won't come down; are going higher	27	31	30	31	24	28	24	23	31	30	23	27	26
Interest rates low; credit is easy	5	3	4	2	3	2	3	1	2	3	1	2	3
BAD TIME TO BUY:													
Prices are high	23	20	16	23	26	17	24	23	19	25	22	23	17
Interest rates are high; credit is tight	16	13	17	17	22	25	26	22	17	18	23	17	21
Lack of purchasing power	14	12	11	11	11	11	13	16	12	9	13	8	7

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

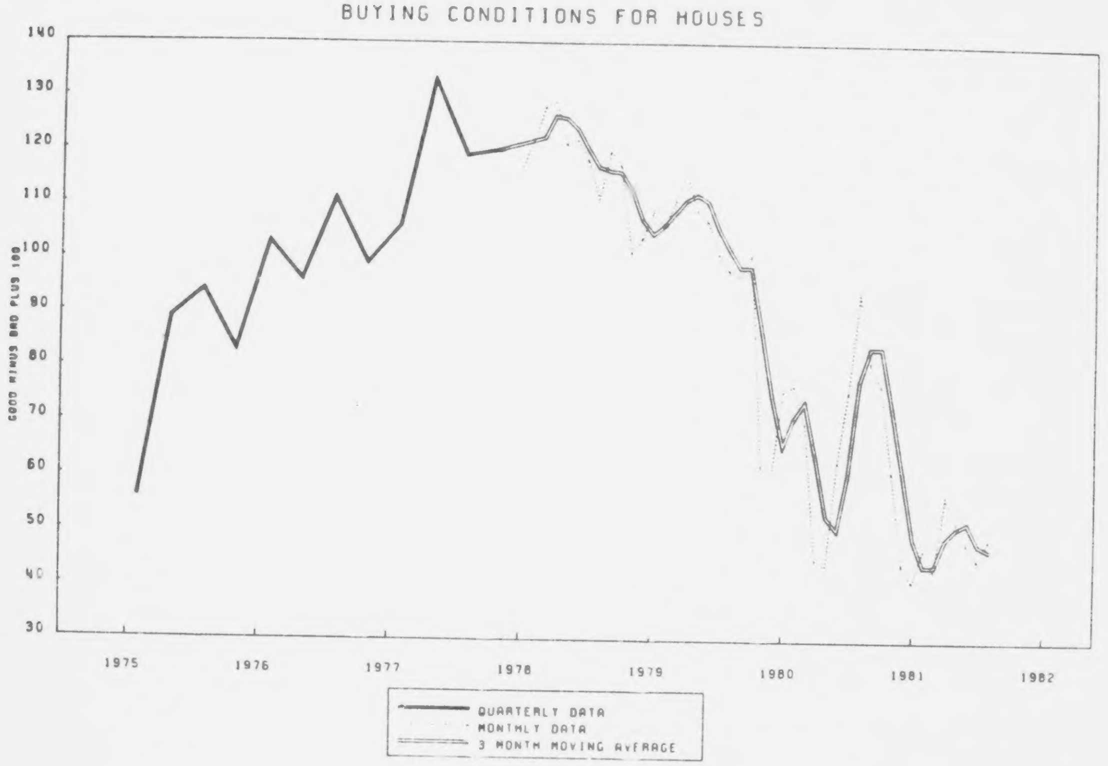


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

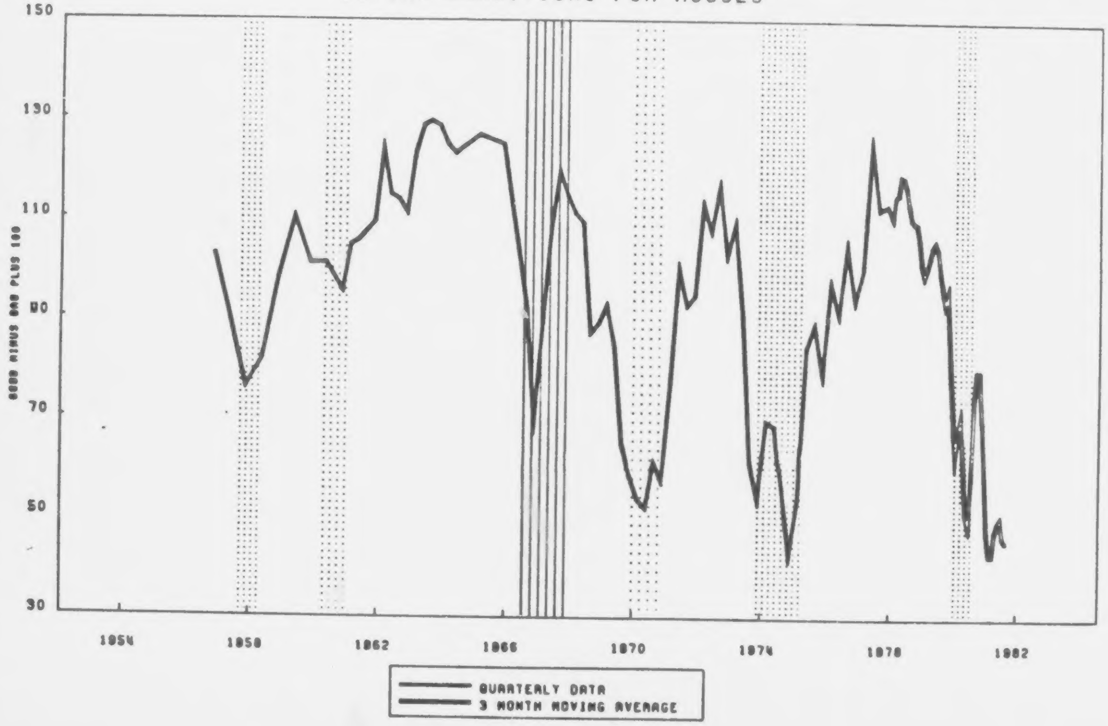


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY	44%	38%	36%	28%	19%	18%	21%	20%	26%	24%	20%	20%	21%
UNCERTAIN, DEPENDS	6	5	5	5	6	5	5	3	5	4	8	5	7
BAD TIME TO BUY	50	57	59	67	75	77	74	77	69	72	72	75	72
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	7%	4%	4%	4%	3%	5%	4%	5%	5%	5%	5%	6%
Prices won't come down; are going higher	14	17	17	16	10	12	10	9	12	10	10	10	10
Interest rates low; credit is easy	28	22	16	10	6	4	7	5	9	7	5	6	8
Good investment	10	9	8	7	6	7	10	7	8	6	6	7	5
BAD TIME TO BUY:													
Prices are high	26	29	27	28	28	32	31	32	30	28	30	30	23
Interest rates are high; credit is tight	41	50	56	66	77	76	73	76	66	71	71	71	76
Lack of purchasing power	12	11	12	11	12	10	14	13	12	11	13	12	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

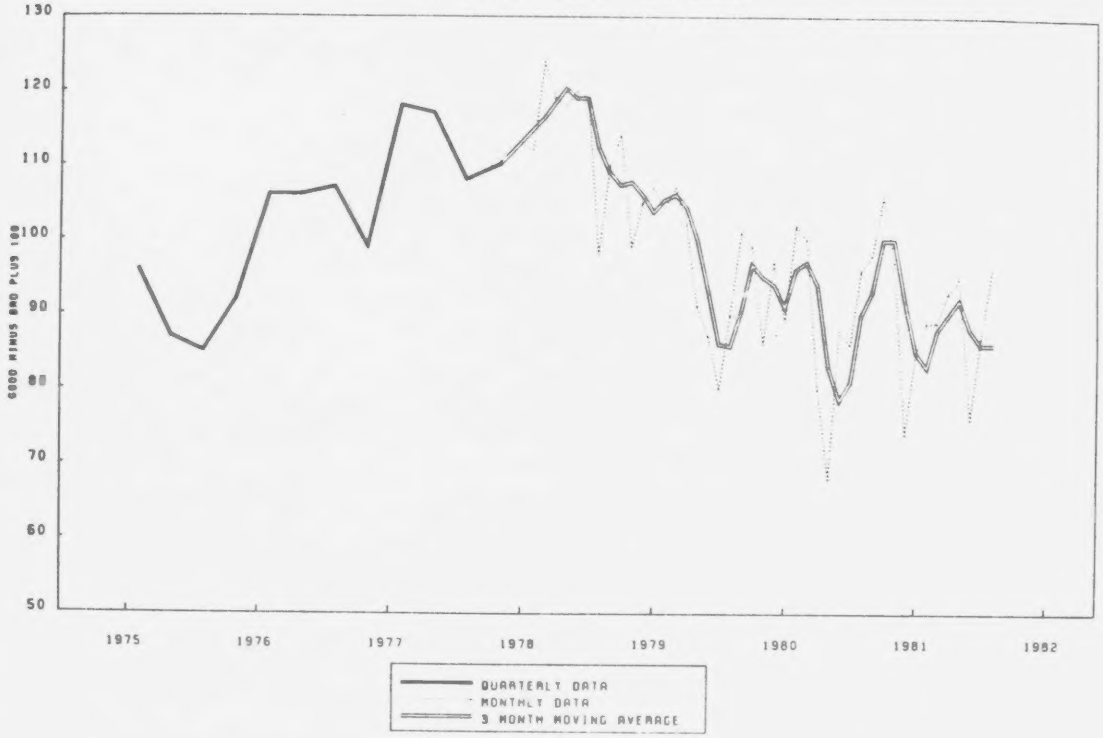


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

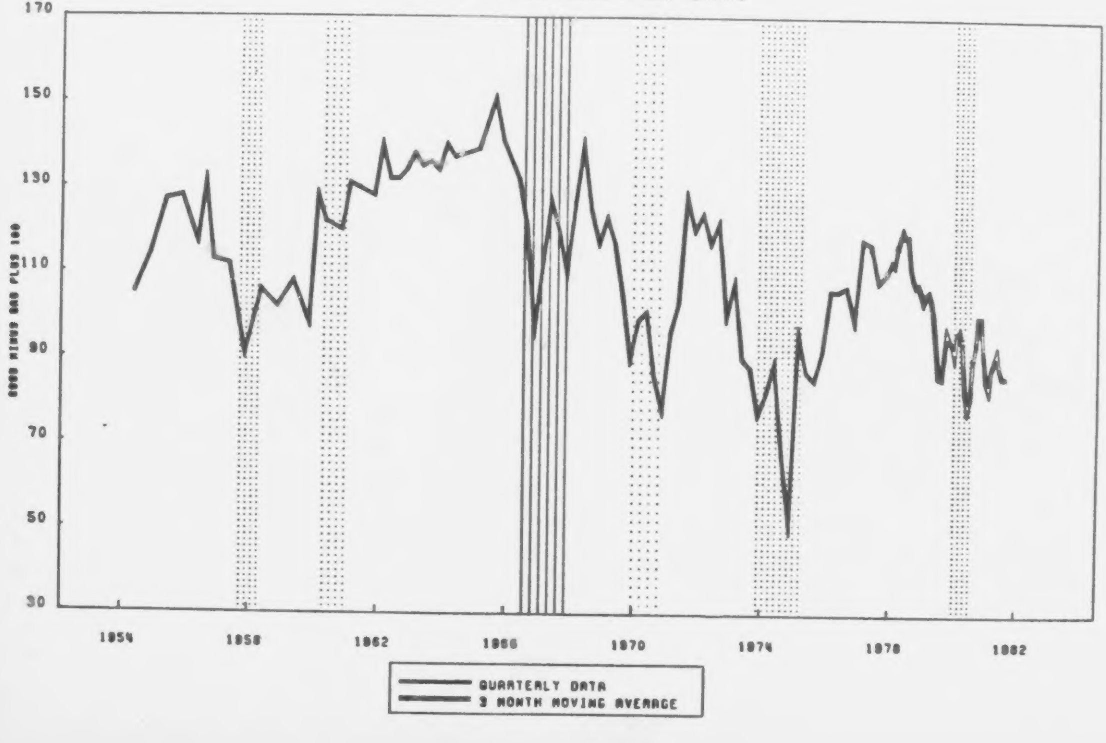


TABLE 30

BUYING CONDITIONS FOR CARS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY	42%	42%	45%	41%	33%	36%	39%	39%	42%	44%	33%	40%	43%
UNCERTAIN; DEPENDS	12	14	16	15	8	13	11	11	9	7	10	7	10
BAD TIME TO BUY	46	44	39	44	59	51	50	50	49	49	57	53	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	20%	17%	17%	13%	18%	22%	30%	25%	23%	14%	17%	19%
Prices won't come down; are going higher	12	19	17	16	12	13	12	10	19	15	12	18	18
Interest rates low; credit is easy	4	4	3	3	4	5	3	2	3	4	2	3	5
New fuel efficient models	7	9	12	7	5	4	4	6	4	5	5	5	4
BAD TIME TO BUY:													
Prices are high	27	31	23	28	31	33	31	34	31	33	34	33	26
Interest rates are high; credit is tight	11	10	14	17	29	28	27	21	22	17	28	25	26
Lack of purchasing power	9	6	8	7	9	7	7	10	8	6	6	6	5
Price of gas; shortages	5	5	4	4	5	4	8	6	5	3	2	3	4
Poor selection; quality	13	11	13	10	12	9	9	9	8	10	9	11	8

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
PROBABLY WILL BUY	16%	16%	15%	17%	14%	15%	16%	14%	15%	17%	17%	14%	19%
CHANCES ARE EVEN	7	6	7	6	6	8	7	6	8	9	8	7	7
PROBABLY WILL NOT BUY	61	70	67	66	67	66	62	67	65	63	66	64	59
DK,NA	16	8	11	11	13	11	15	13	12	11	9	15	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	682	685	694	684	698	668	703	690	667	675	694	696

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	23%	22%	22%	23%	20%	23%	23%	20%	23%	26%	25%	21%	26%
PURCHASE TYPE:													
Buy new	8	11	12	11	8	11	10	9	11	11	10	9	12
Buy used	12	9	7	9	9	8	10	9	10	12	11	9	11
Lease	1	1	2	*	1	1	1	1	1	1	2	2	2
DK,NA	2	1	1	3	2	3	2	1	1	2	2	1	1
PURCHASE TIMING:													
Next 3 months	3	1	3	4	2	3	1	1	5	5	2	5	3
Next 4-6 months	5	6	4	3	3	5	6	4	8	5	7	6	7
Next 7-9 months	4	2	7	6	5	6	7	5	5	7	7	2	3
10 months or more	4	4	4	4	5	4	3	5	2	3	5	3	7
DK,NA	7	9	4	6	5	5	6	5	3	6	4	5	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	61%	70%	67%	66%	67%	66%	62%	67%	65%	63%	66%	64%	59%
PURCHASE TYPE:													
Would buy new	35	38	44	38	37	35	33	34	39	37	37	35	34
Would buy used	24	30	20	26	27	29	28	28	24	25	27	27	23
DK,NA	2	2	3	2	3	2	1	5	2	1	2	2	2
PURCHASE TIMING:													
Less than 2 years	6	5	5	6	7	6	5	6	9	6	5	4	7
2 years	18	23	20	23	20	17	23	23	19	22	20	19	18
3 years	8	12	15	11	12	12	9	9	9	10	11	11	10
4 years or more	21	18	15	15	18	19	16	19	22	15	20	18	18
Indefinite	4	4	3	5	3	5	3	3	3	4	5	5	1
DK,NA	4	8	9	6	7	7	6	7	3	6	5	7	5

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

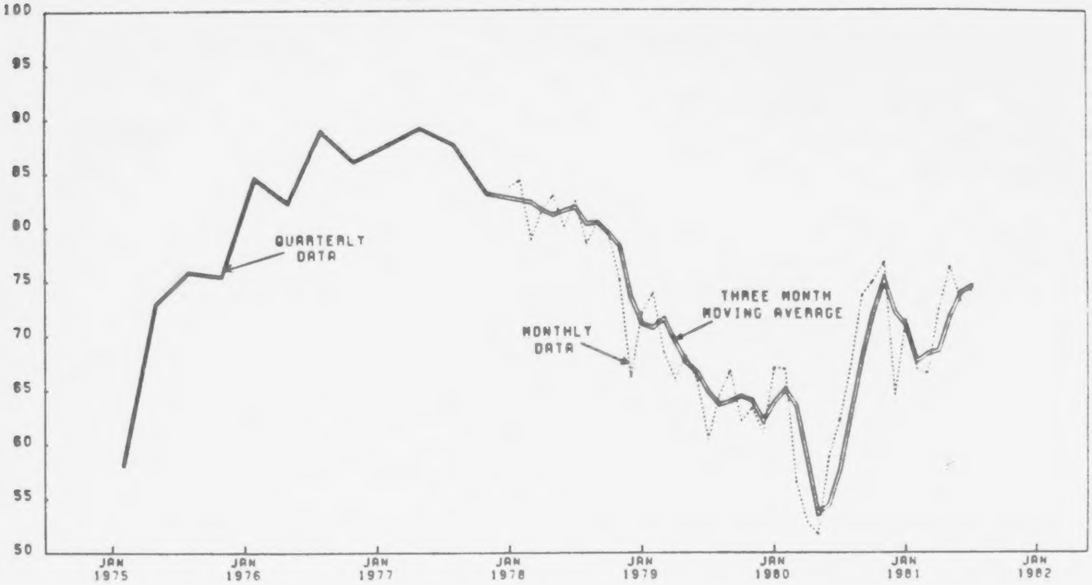
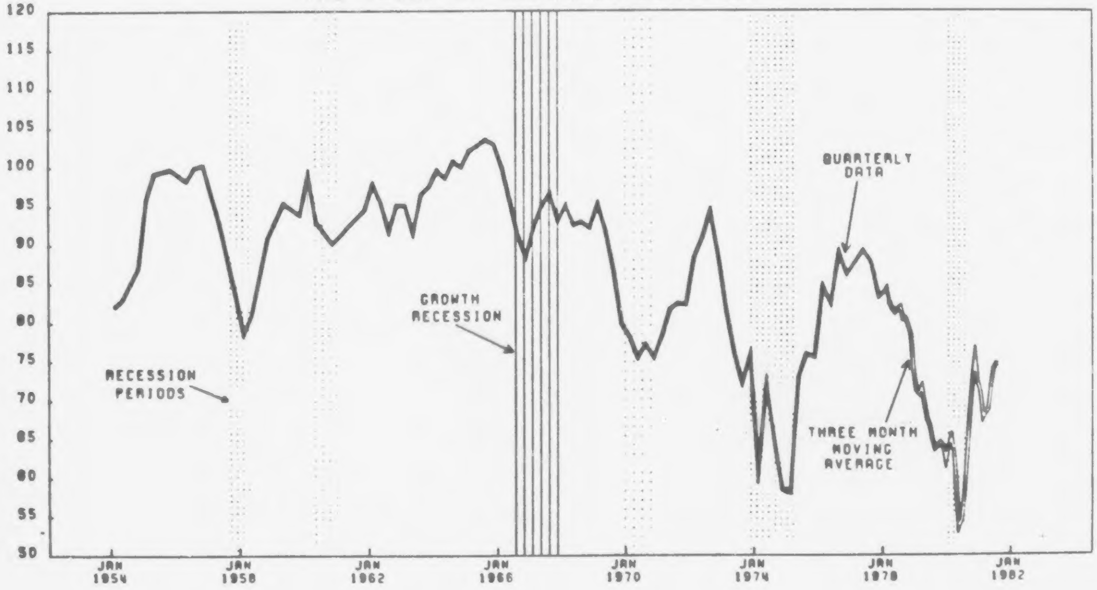


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarters) before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scales represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

U7475-2

SURVEY RESEARCH CENTER UNIVERSITY OF MICHIGAN

September 3, 1981

AUGUST 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

RISING OPTIMISM OFFSET BY HIGH INTEREST RATES

** In the August 1981 survey, the Index of Consumer Sentiment was 77.2, up 3.1 Index points from July 1981, and is now higher than at any time since late 1978. In comparison with the August 1980 and 1979 surveys, the 1981 Index figure is 10 points higher, but remains 10 points below the two years before that. The major factor behind the improvement recorded during the past year has been a more optimistic business outlook based on confidence in government economic policies.

** Among families with incomes of $25,000 or more the Index was 85.0 in August 1981, up from 82.1 in July and up nearly 11 Index points above the year-earlier reading.

** The improvement in consumer sentiment recorded during the past year was concentrated among residents of the Northeast (an 18 Index point improvement), with the least improvement recorded among residents of the North Central region (4 Index points). Respondents under age 35 also recorded a significant improvement during the past year, with the Index rising from 72.0 to 87.8; in contrast, among respondents age 55 or older the Index figure posted only a small improvement, rising from 66.0 to 67.9 during the past year.

** More families expected bad times rather than good times in the economy as a whole during the next 12 months in the August 1981 survey, but the unfavorable margin has narrowed considerably during the past year. In August 1981, bad times financially were expected by 48 percent (down from 54 percent in July and 62 percent in August 1980), while good times financially were expected by 40 percent in August 1981 (up from 35 percent in July, and 25 percent in August 1980). Long-term business expectations also improved somewhat during the past year, but nonetheless remained unfavorable, with twice as many respondents that expected bad times (56 percent) rather than good times (28 percent) financially in the economy during the next 5 years or so. This represents only a modest improvement from a year earlier when the unfavorable balance of 59 to 19 percent was recorded.

** Among all families 34 percent reported that they expected to be better off financially than they were a year ago, up from 29 percent in July and 30 percent in August 1980. The improved outlook in personal finances was due in part to a significant increase in the proportion of respondents expecting income increases of 10% or more, and a significant decrease in the expected rate of inflation over the past several months.

** Respondents expectations of increased or continued high interest rates were unchanged from July 1981 and August 1980, with over two-thirds expecting interest rates to remain at current levels or increase in the next 12 months. The mean expected increase in the rate of inflation continued on its downward trend begun in January 1981 with 26 percent expecting price increases of 10% or more in August 1981, down from 37 percent in January 1981.

** Favorable attitudes toward buying conditions for household durables and autos were slightly improved in the August survey, while attitudes toward the housing market remained unchanged at near-record low levels. The one-month and one-year improvements in favorable attitudes have been greatest in those product areas where interest rates and credit availability are less important to the buying decision.

Personal Finances

In the August 1981 survey, respondents were evenly divided (33 percent) among those that reported their financial situation had improved, remained unchanged, and worsened during the past year. These figures are largely unchanged from the month earlier reading, although they do indicate some net improvement from year-earlier readings. The smaller improvement recorded since last year was, however, due to less economic adversity not more favorable financial developments. In both the August 1980 and August 1981 surveys, 33 percent of all respondents reported that their families finances had improved during the past year. At the same time, the proportion that reported worsening finances fell from 40 to 33 percent, while the number of families that reported their finances had remained unchanged rose from 26 to 33 percent. The decline in unfavorable responses while favorable reports remained unchanged was also reflected in the detailed explanations given by respondents. Among all families, the proportion that mentioned that inflation was making them worse off fell from 38 to 27 percent during the past year, and the proportion that reported income declines fell from 14 to 11 percent. Income increases during the past year were reported by 31 percent in August 1980 and 32 percent in August 1981, indicating little change, although remaining at relatively high levels.

An otpimistic outlook for personal finances continued to be reported in the August 1981 survey, equal to the greatly improved levels first recorded in late 1980. In the August 1981 survey, twice as many respondents expected their financial situation to improve rather than to deteriorate in the year ahead (34 versus 17 percent). The major reason for the continuation of optimistic personal financial expectations has been the maintenance of nominal income expectations at relatively high levels, while price expectations have moderated considerably during the past year. In the August 1981 survey, 33 percent of all respondents expected their nominal family income to increase by 10% or more during the year ahead, up from 26 percent recorded in August 1980.

Price Trends Moderate

The August 1981 survey continued to document declines in both the current and expected rate of inflation. Among all families, the average reported increase in prices during the past year stood at 11.2% in August 1981, down from 14.4% in August 1980.

Consumers, in the August 1981 survey, expected the rate of inflation to average 6.5% during the year ahead, down from 6.7% in July, and 8.0% in August 1980. Among all families, 26 percent expected double-digit inflation in August 1981, down from 34 percent a year earlier. During the past year, the proportion that expected prices to remain unchanged or decline rose from 18 to 28 percent.

Since February 1980, when expected inflation rates over the short term (10.7%) and long term (10.5%) were nearly identical, the decline in short term price expectations has been somewhat greater than in long term price expectations (see Table A below). By August 1981, consumers expected an average inflation rate of 7.2% over the longer term, unchanged from the February 1981 reading. While most of the decline in long term price expectations was recorded in 1980, significant short term price declines were recorded in early 1981. Since short term price expectations are now lower than the average rates expected over the longer term, these data indicate that the lower short term inflation rate is expected to be temporary.

TABLE A

SHORT AND LONG-TERM PRICE EXPECTATIONS

Expected Annual Increase in Prices During Next...	Feb. 1980	Aug. 1980	Feb. 1981	Aug. 1981
One year	10.7%	8.0%	8.3%	6.5%
5-10 years	10.5	8.7	7.2	7.2

The questions asked were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

"What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" "About what percent per year do you think prices will go (up/down) on the average during the next 5 to 10 years?"

During the past decade, the appeal of savings and the distaste for debt has been significantly influenced by the inflationary environment. When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the August 1981 survey (see Table B). Among all families, the proportion that reported a willingness to use savings fell from 35 percent in 1979 to 29 percent in 1981. The increased reluctance to use savings was especially strong among families with incomes of $25,000 or more. Consumer willingness to use credit to make major purchases also declined, falling from 17 to 13 percent from 1979 to 1981. The sharpest decline in willingness to use debt came among middle income families ($15-25,000), with the proportion that was willing to use credit falling from 26 to 9 percent.

TABLE B

CONSUMER REACTIONS TO INFLATION

	To Make Major Purchases Given Their Current Situation...				In Times of Rapid Inflation...					
	Okay to Use Savings		Okay to Use Credit		Bad Idea to Save		Better to Borrow		Favor Advance Buying	
	1979	1981	1979	1981	1979	1981	1979	1981	1979	1981
All families	35%	29%	17%	13%	23%	19%	16%	15%	25%	31%
Family Income										
Less than $14,999	33	22	14	14	17	16	9	12	26	31
$15,000-24,999	40	29	26	9	25	19	17	14	25	35
$25,000 or more	43	27	24	20	35	29	29	23	24	30

The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some your savings, or is now a time when you would be especially reluctant to use some of your savings?"

"If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

"Generally speaking, in times of inflation do you think increasing your savings as much as possible is a good idea or a bad idea?"

"Some people say that in times of inflation it's better to borrow as much as possible while others think that people should avoid borrowing. What do you think?"

"Should people buy large things such as houses, cars, appliances, or furniture before they are really needed to avoid higher prices in the future?"

Among all families, the proportion that thought it was a "bad idea to save as much as possible during times of rapid inflation" fell from 23 percent in 1979 to 19 percent in 1981, while the proportion of all families that thought it was "better to borrow as much as possible in times of inflation" fell marginally from 16 percent in 1979 to 15 percent in 1981. These attitudes toward saving and debt varied significantly among income subgroups. Although high income families were most likely to express the opinion that it was better to borrow and a bad idea to save in times of rapid inflation, the proportion that viewed saving with disfavor fell from 35 percent in 1979 to 29 percent in 1981. At the same time, the proportion that favored borrowing fell slightly from 29 to 23 percent. Although the recent moderation in inflation is largely responsible for these shifts in attitudes, the appeal of advance buying as a means to cope with inflation, nonetheless, is still viewed with favor. In 1981, the proportion of all families that had a favorable opinion of buy-in-advance price rationales rose to 31 percent, from 25 percent in 1979.

Business Conditions

When asked about news they had heard and could recall about recent changes in business conditions, favorable news items were mentioned only slightly more frequently in August 1981 (28 percent) than in August 1980 (24 percent), while reports of unfavorable developments fell to 47 percent in August 1981 from 78 percent a year earlier. In comparison with a year earlier, fewer respondents mentioned reports of spreading unemployment (31 to 17 percent), and fewer mentioned inflation (13 to 3 percent). During the past year, the proportion of respondents that could not recall hearing any recent changes in business conditions increased from one-third to one-half of all families. Consequently, the improvement in the mix of news heard and recalled by respondents reflected fewer unfavorable mentions, combined with a declining awareness of any changes, due in part to habituation.

The proportion of respondents that reported overall business conditions had improved during the past year more than doubled from August 1980 (15 percent) to August 1981 (33 percent), although most of the improvement was recorded prior to mid-1981. Since 50 percent of all respondents in August 1981 thought business conditions had worsened during the past year, evaluations of current business conditions still remain unfavorable, on balance. Nonetheless, this represents a considerable improvement from the 77 percent recorded in August 1980.

In contrast to the improved, although on balance unfavorable, evaluation of current business conditions, more than twice as many respondents expected business conditions to improve rather than worsen in the year ahead. Among all families, 38 percent reported that they expected business conditions to improve in August 1981, from 34 percent in July, and 28 percent in August 1980. Optimistic short term business expectations have prevailed for more than a year, and have been maintained at high levels because of the expected impact of the economic policies of the Reagan administration. When asked why they expected business conditions to improve or worsen, 29 percent of all respondents spontaneously mentioned the favorable impact they expected the Reagan proposals to have on the economy, up from 21 percent in July, and just 14 percent a year earlier when Carter was still in office. Since the November election of Reagan, between one-fourth and one-third of all respondents made favorable spontaneous references to the Reagan administration. At the same time, there have been modest increases in unfavorable spontaneous references to Reagan's economic policies, rising from 7 percent in February 1981 to 12 percent in August 1981.

From May to August 1981, each survey recorded 36 percent of all respondents that expected unemployment to increase during the year ahead, twice the proportion of respondents that expected declines in unemployment. Compared with a year earlier, mixed changes have been recorded in unemployment expectations: the proportion that expected unemployment to decline in the year ahead fell from 19 to 14 percent, while the proportion that expected increases also fell from 40 to 36 percent.

In the August 1981 survey, interest rates were more frequently expected to increase rather than decrease by the margin of 37 to 26 percent. Although these figures are comparable to the year earlier readings, the path traced by interest rate expectations during the past several years has been particularly volatile. Since the start of 1981, the first four months were characterized by proportionately more families that expected interest rate declines than increases, while during the second four months proportionately more expected increases rather than declines.

Buying Attitudes

Since the start of 1981, only small and modest improvements in attitudes toward buying conditions have been documented. Following the record low levels recorded in May of 1980, substantial improvement followed in late 1980 as interest rates declined. The resurgence in interest rates in late 1980 and 1981 led to renewed declines.

Among all families, 55 percent reported that they thought it was a good time to buy major household durable goods, up from 53 percent in July and 47 percent in August 1980. Compared with a year earlier, respondents more frequently mentioned the availability of good buys and low prices in August 1981, as well as more frequently mentioning high interest rates as a cause for postponement. During the past year, the increase in favorable price references has offset the depressing effects of high interest rates.

Since credit conditions represent a less important factor in durable good sales, they were offset by more frequent mentions of low prices (24 versus 21 percent). In contrast, the central importance of credit arrangements in home purchases has left buying attitudes toward houses near their historic low level in the August 1981 survey. Prior to 1980-81, the proportion of respondents that reported unfavorable buying conditions for houses only exceeded 70 percent once (in the November 1974 survey). However, in eight of the last nine monthly surveys, the proportion has stood at 70 percent or higher. In comparison with a year earlier, less than half as many respondents rated buying conditions for houses favorable (falling from 44 to 21 percent). The major reason given by respondents for their unfavorable view of the housing market has been high interest rates and tight credit conditions. In the August 1981 survey, more than three in four respondents cited this concern.

Among all families, 43 percent rated buying conditions for cars as favorable in the August 1981 survey, up from 40 percent in July and 42 percent in August 1980. The horizontal trend in attitudes toward buying conditions for autos documented during the past two years has been largely due to offsetting rationales. Concern with high interest rates and high prices have led many to unfavorably evaluate the automobile market, while at the same time rebates and price discounts, as well as favorable loan arrangements, have increased, and have acted to offset postponement due to high interest rates.

* * *

The August 1981 survey contained 696 interviews, conducted between July 24 and August 24, 1981.

CHART A

BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES

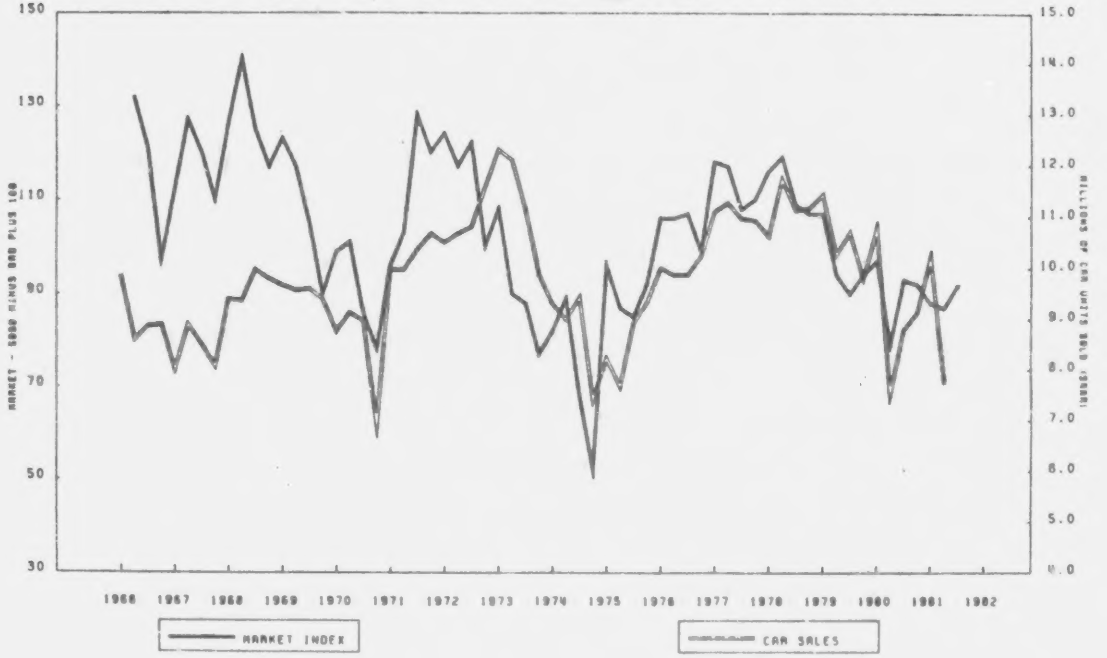
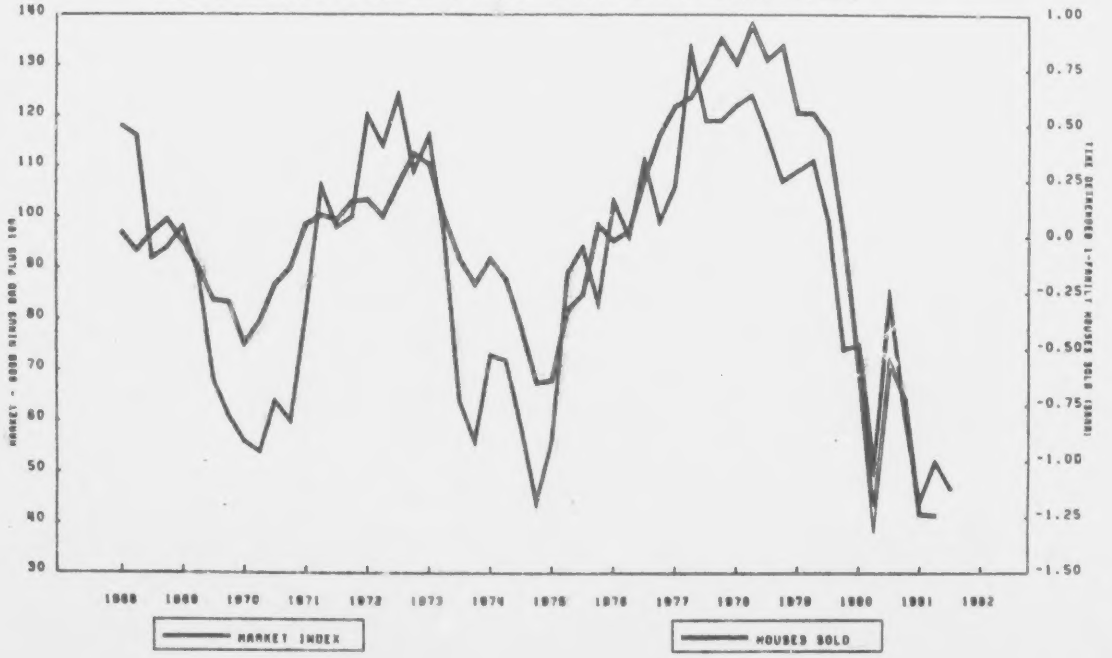


CHART B

BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES



SURVEYS OF CONSUMER ATTITUDES

LL71475-2 (A

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

SEPTEMBER 1981

The September 1981 survey is the 156th in a series surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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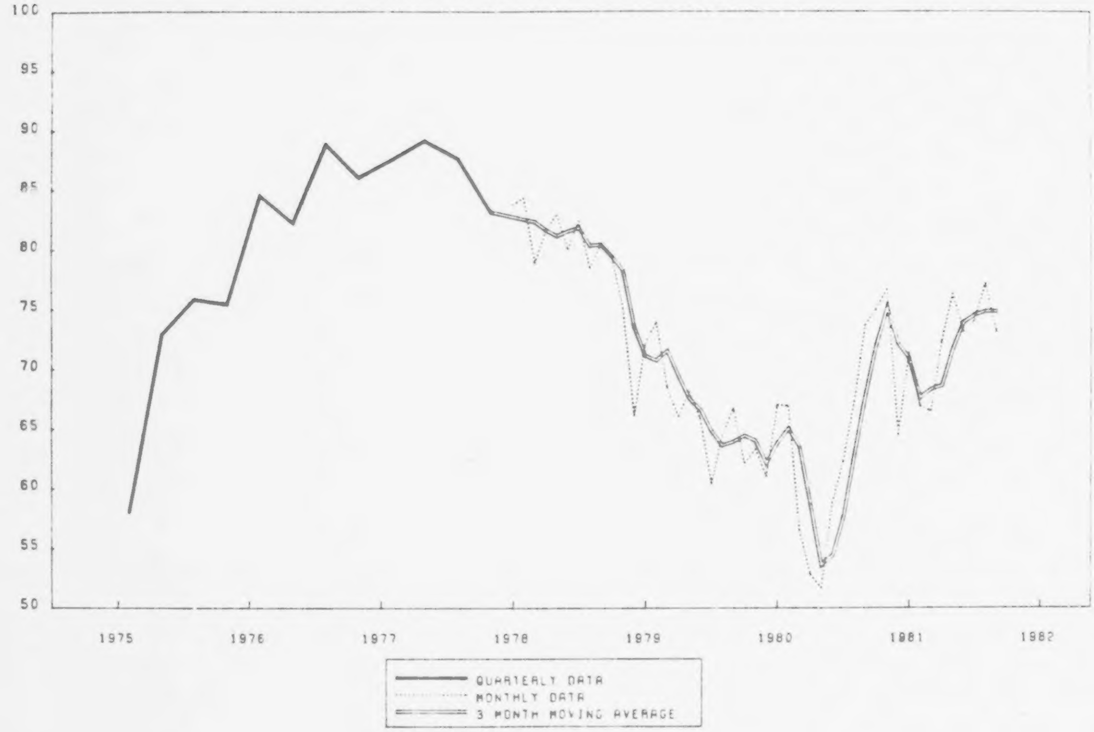

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

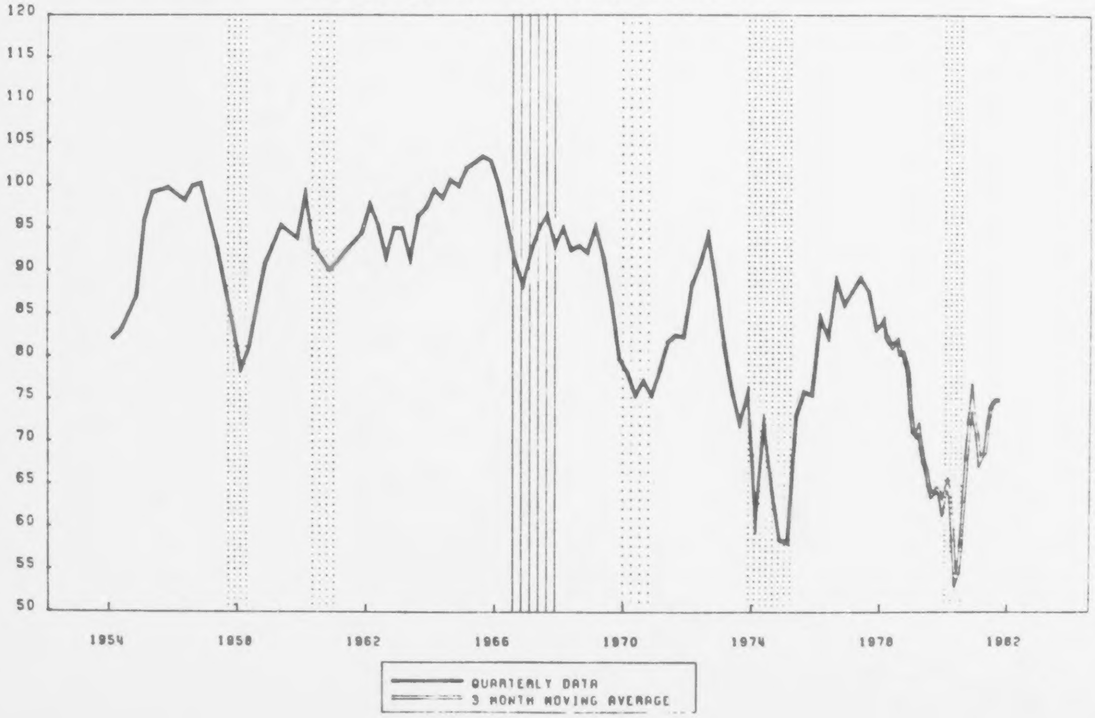

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7
April 1981	72.4	77.1	78.0
May 1981	76.3	80.8	85.0
June 1981	73.1	81.2	82.9
July 1981	74.1	80.8	82.1
August 1981	77.2	82.7	85.0
September 1981	73.1	75.2	73.3

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

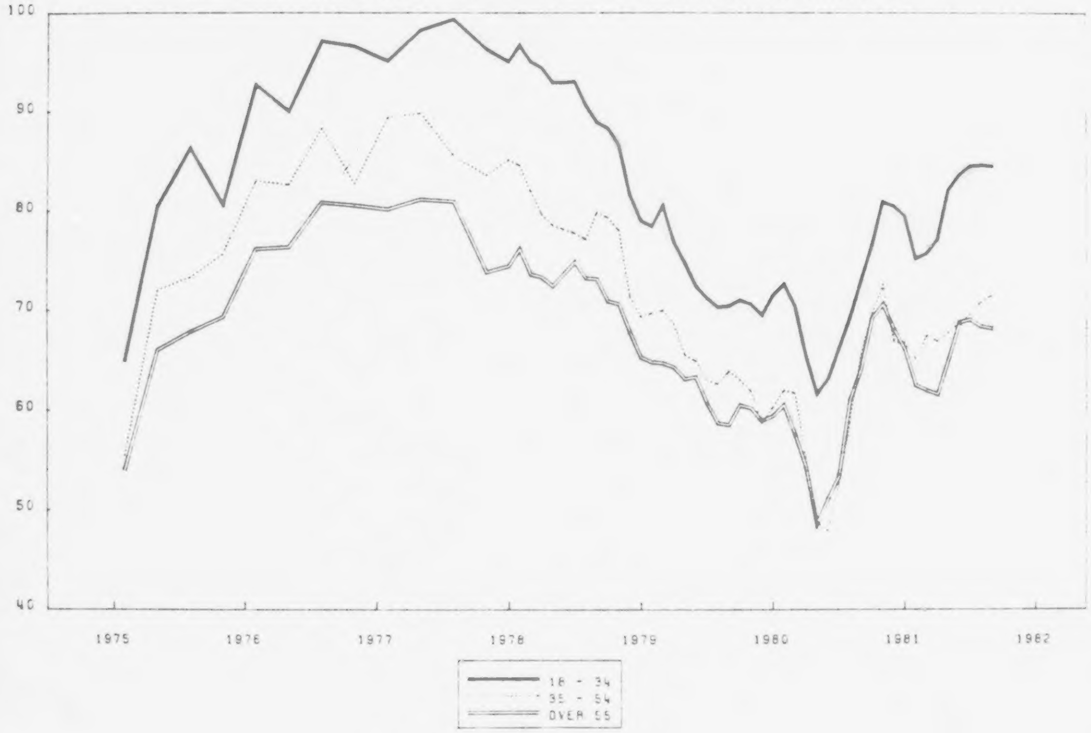

CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

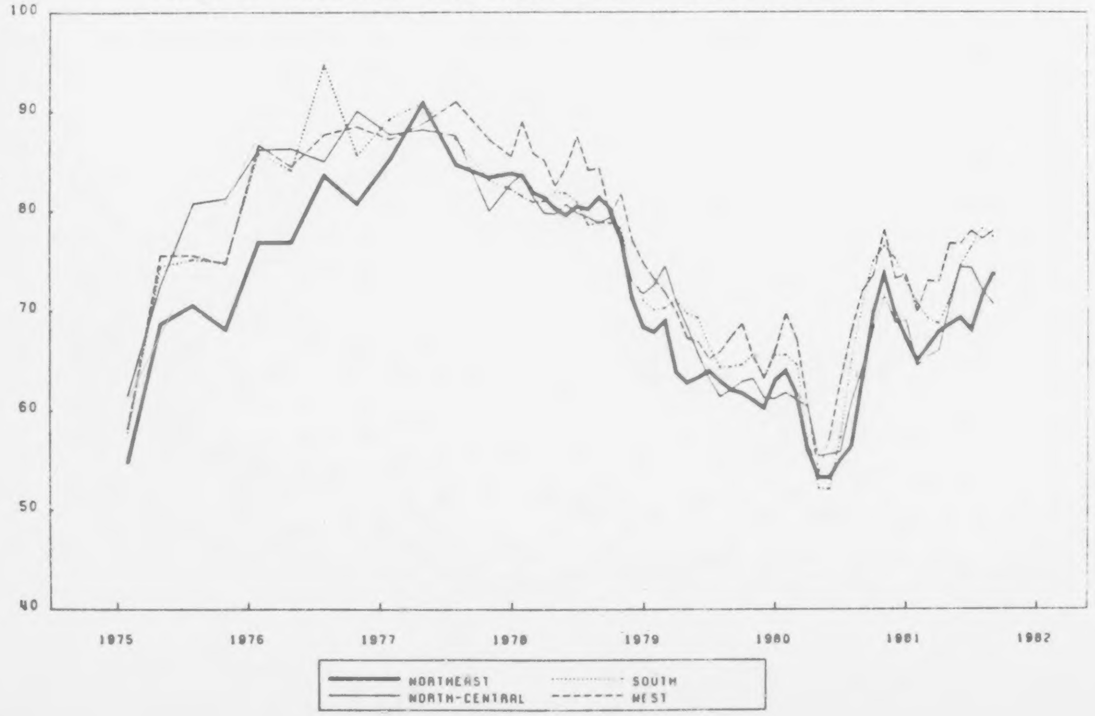

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
September 1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October 1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November 1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December 1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January 1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February 1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March 1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April 1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May 1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June 1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July 1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August 1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September 1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October 1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March 1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April 1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May 1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June 1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July 1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August 1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September 1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

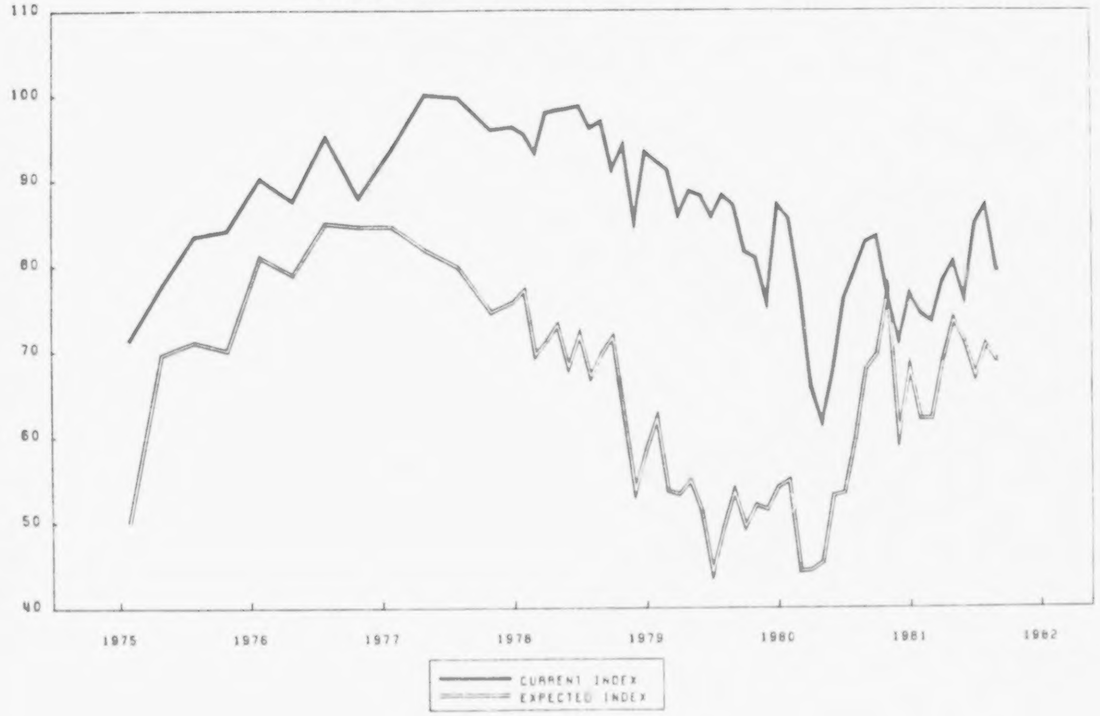

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

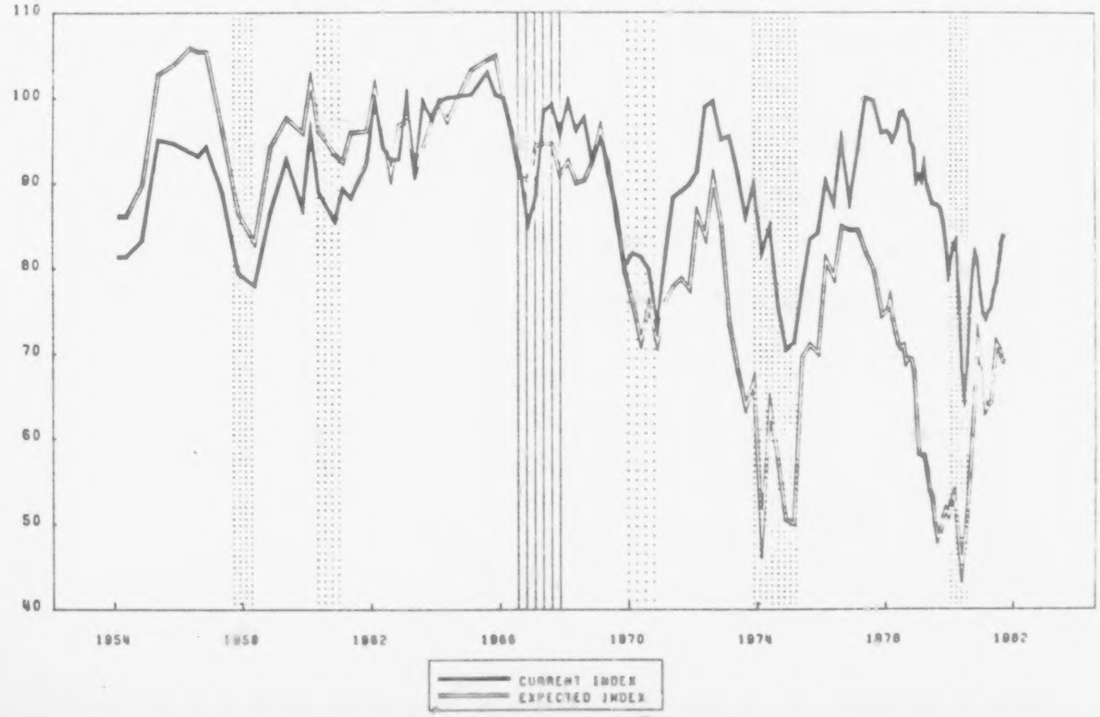

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

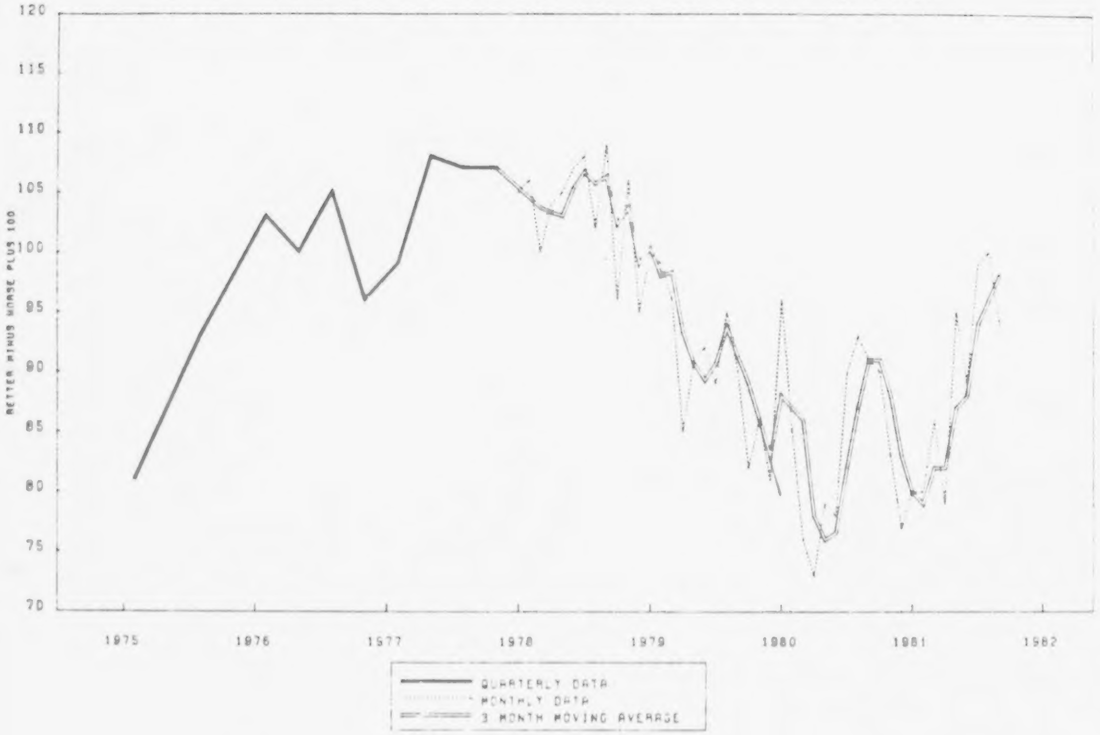

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

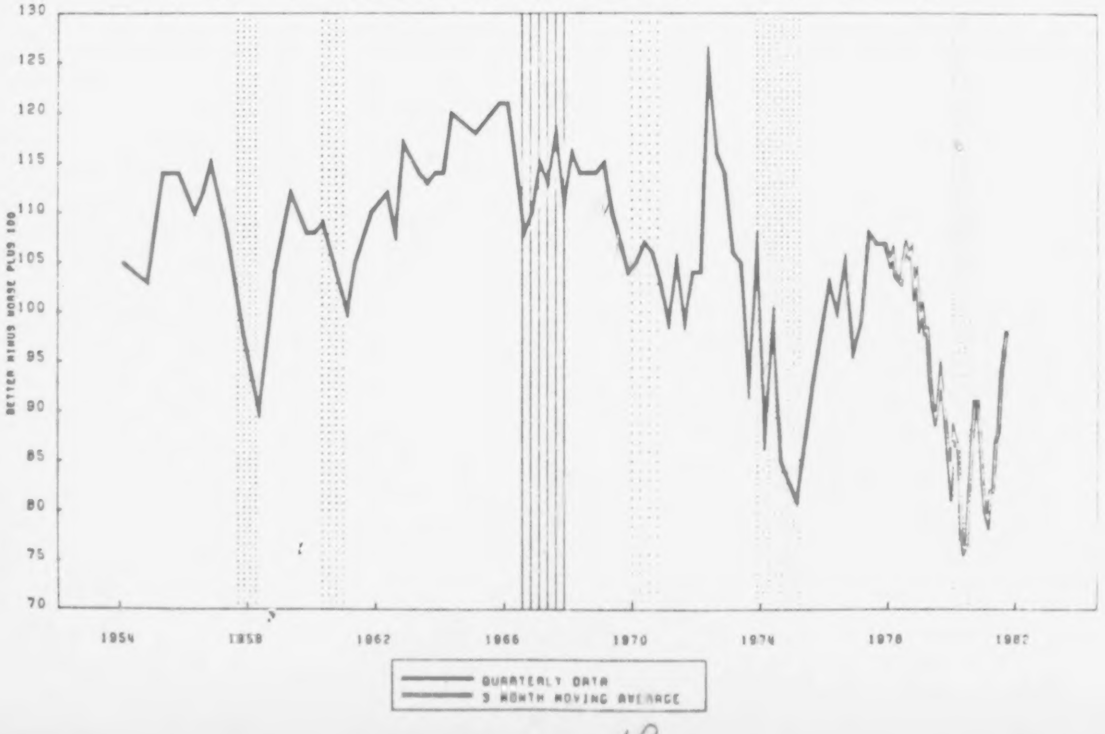

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
BETTER OFF	31%	30%	28%	25%	25%	27%	29%	25%	31%	29%	34%	33%	32%
SAME	27	30	26	26	30	26	28	28	32	31	30	33	29
WORSE OFF	40	40	45	48	45	47	43	46	36	40	35	33	38
DK,NA	2	*	1	1	*	*	*	1	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

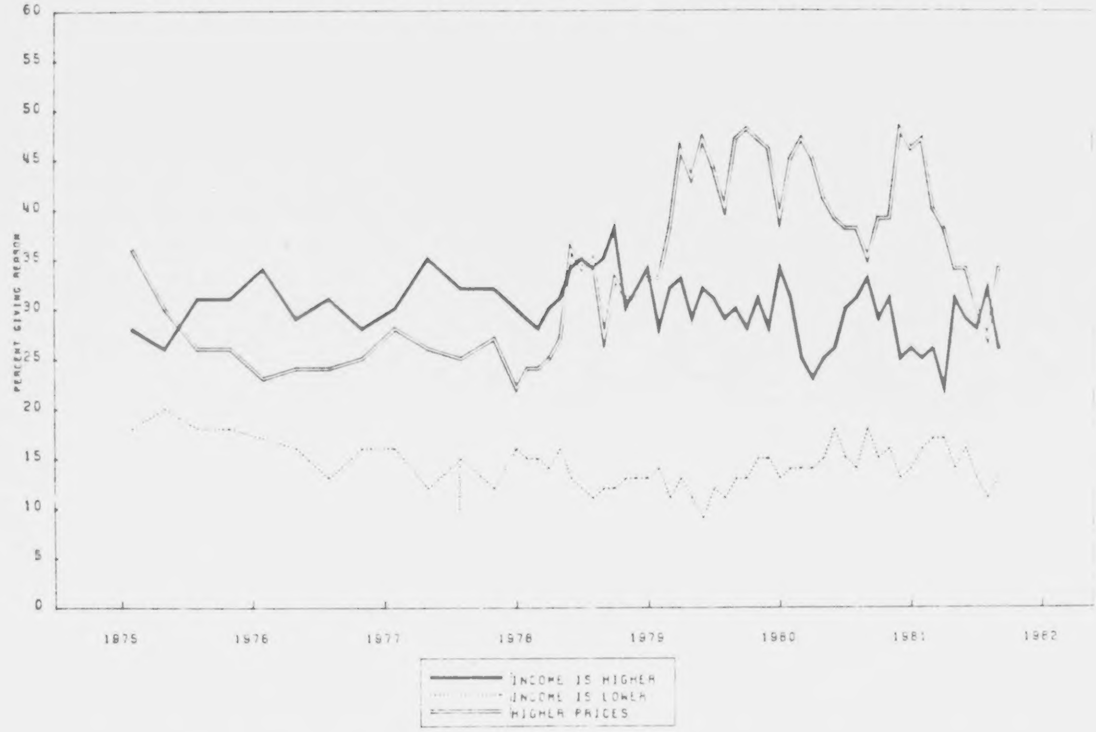

CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

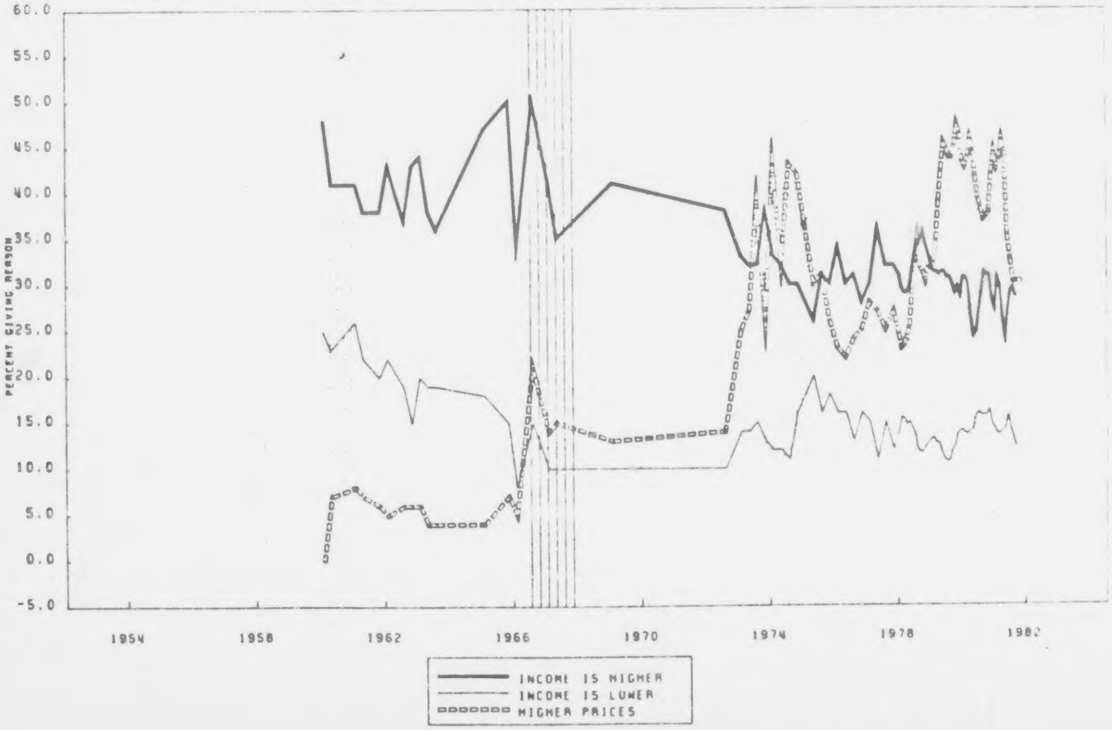

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	29%	31%	25%	26%	25%	26%	22%	31%	29%	28%	32%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	15	16	13	14	16	17	17	14	16	13	11	13
Higher prices	35	39	39	48	46	47	40	38	34	34	30	27	34

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

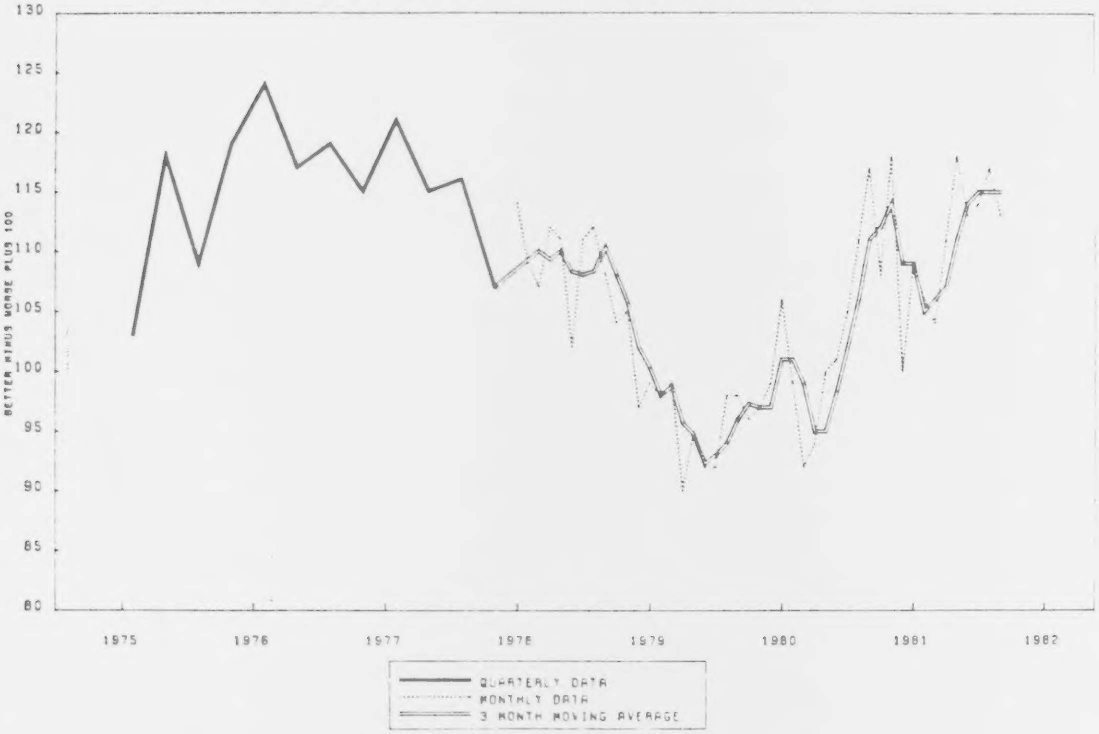

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

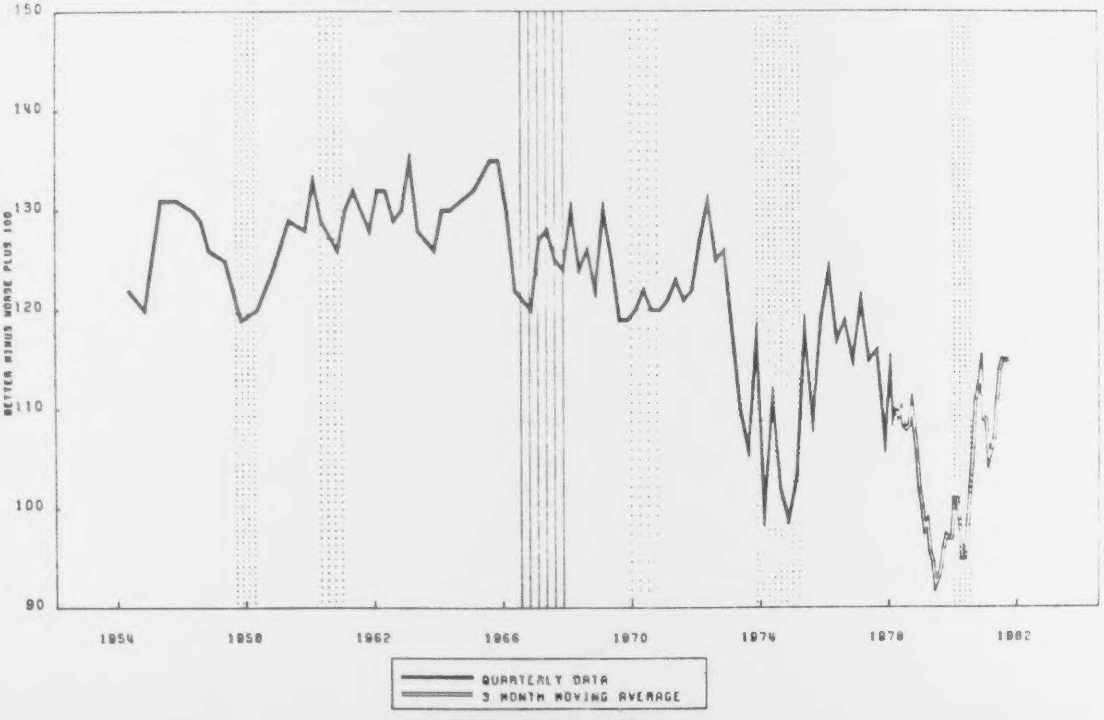

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
BETTER OFF	34%	25%	35%	25%	27%	26%	28%	30%	34%	32%	29%	34%	31%
SAME	45	50	42	45	48	48	45	47	48	44	52	46	45
WORSE OFF	17	17	17	25	18	20	24	19	16	19	15	17	18
DK,NA	4	8	6	5	7	6	3	4	2	5	4	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

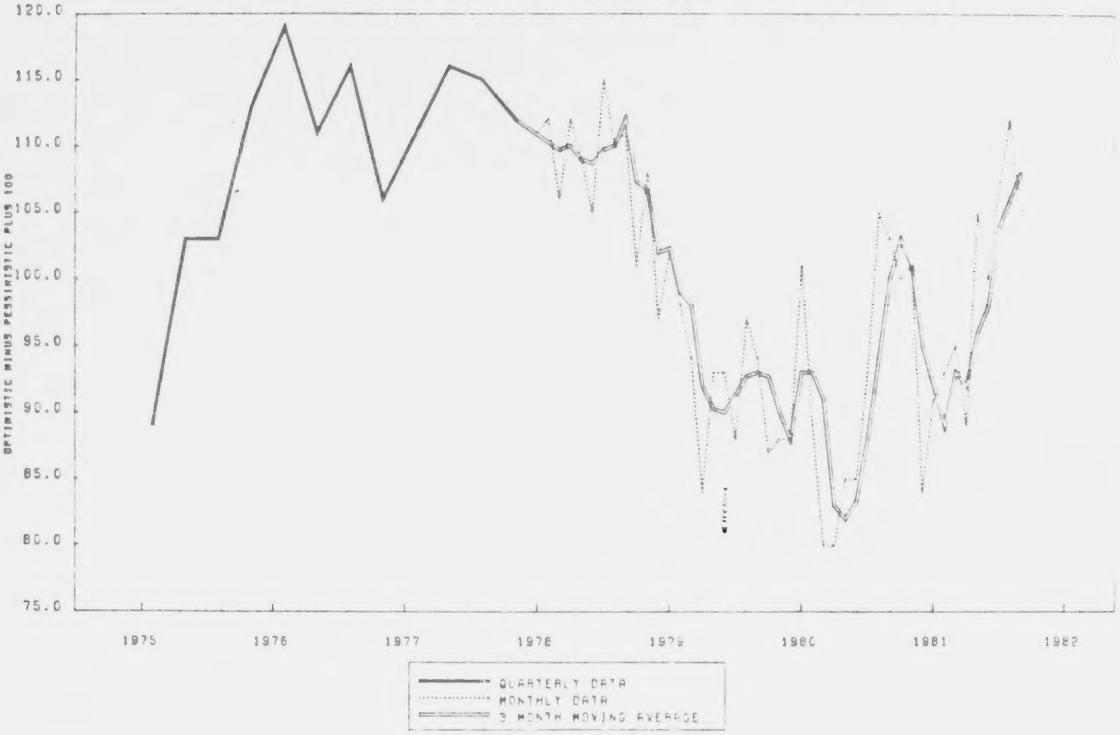

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

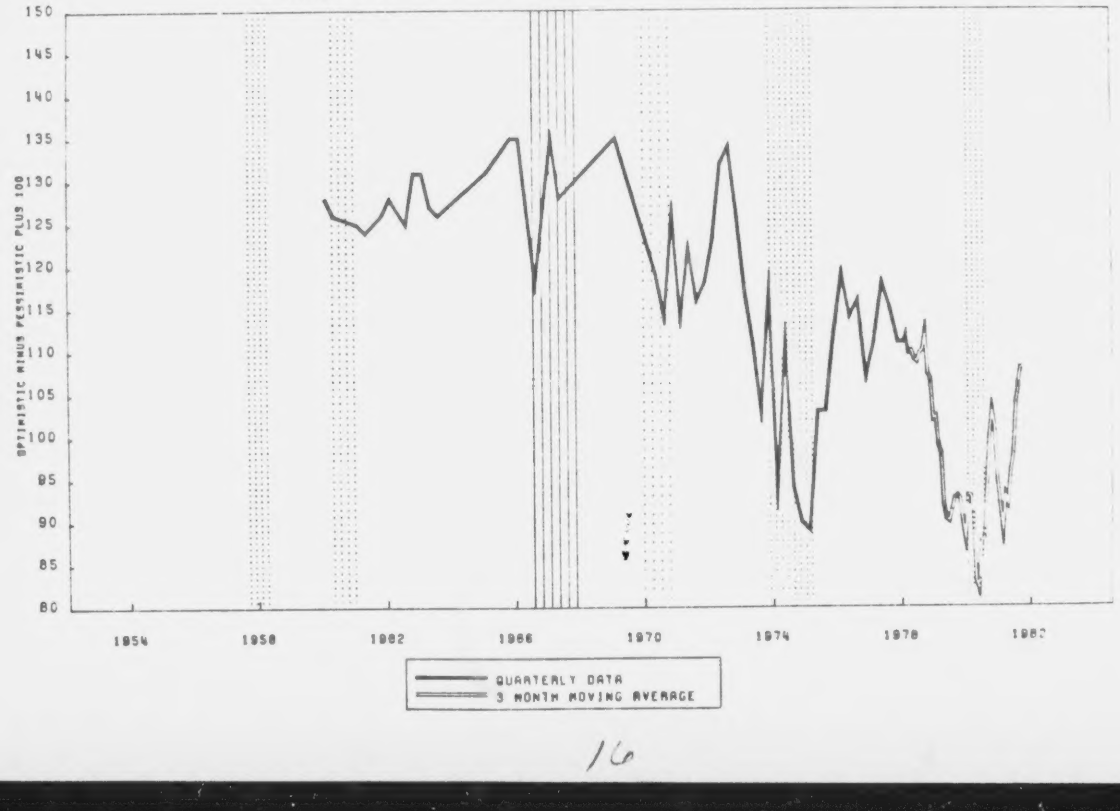

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	14%	12%	13%	9%	10%	8%	12%	11%	15%	13%	15%	14%	16%
Intermittant increase (b)	19	20	19	18	17	20	19	16	23	22	22	25	19
Remain unchanged (c)	15	18	13	12	16	15	15	14	15	14	19	18	17
Intermittant decline (d)	21	21	22	28	25	23	22	27	25	24	21	18	19
Continuous decline (e)	9	11	9	15	11	12	14	11	8	11	9	9	11
Mixed change (f)	16	10	18	13	14	16	14	15	12	11	9	12	12
DK,NA	6	8	6	5	7	6	4	6	2	5	5	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

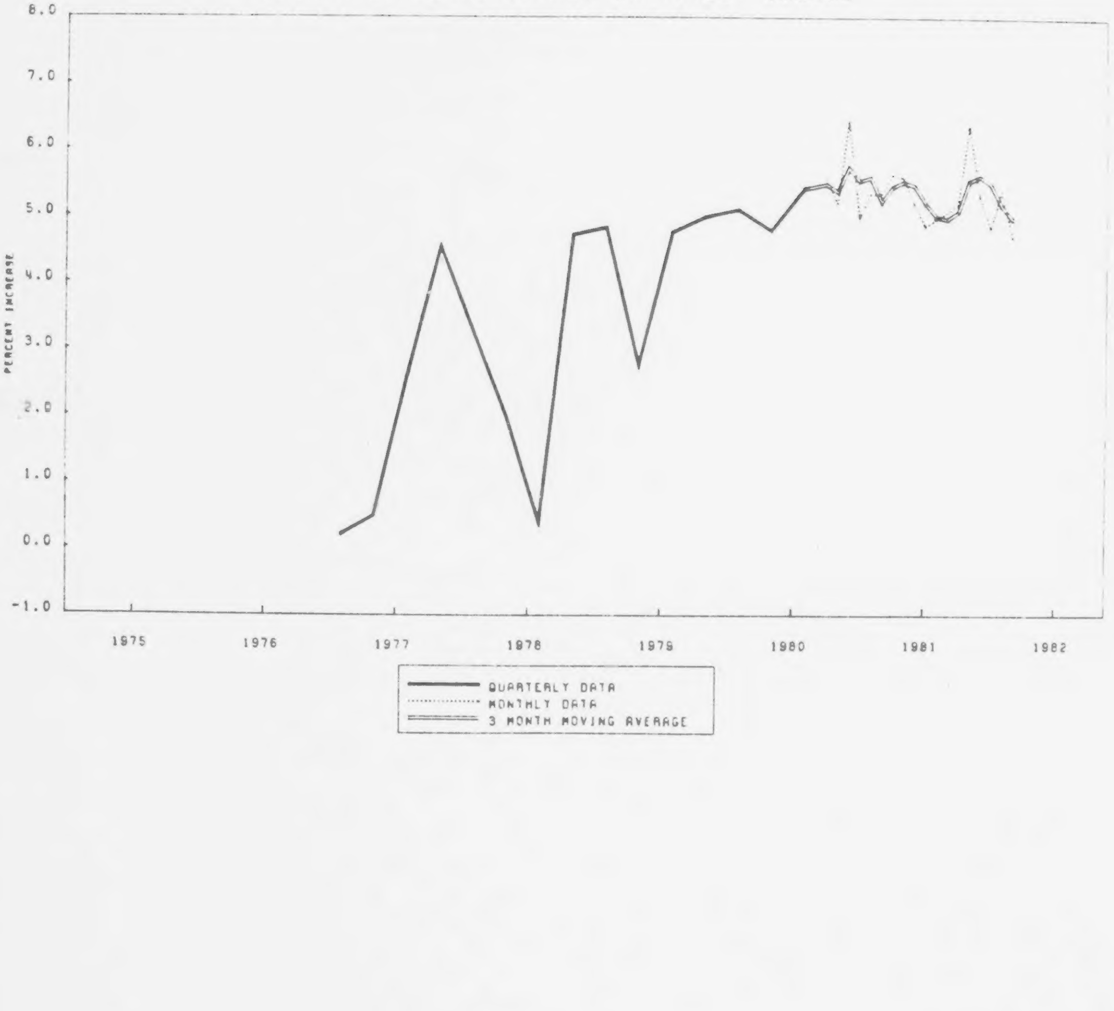

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
EXPECT INCREASE:													
1-4%	7%	8%	5%	8%	6%	8%	7%	6%	6%	6%	7%	5%	6%
5%	7	7	10	7	8	7	9	8	10	10	7	8	9
6-9%	16	15	10	12	10	10	11	11	11	10	10	9	10
10-24%	21	21	26	22	21	20	21	22	28	25	21	27	23
25% or more	5	7	7	7	6	7	7	7	8	7	10	6	6
DK how much up	10	10	8	8	9	9	9	9	7	7	5	6	6
EXPECT SAME	21	21	24	22	24	24	21	25	19	21	24	26	27
EXPECT DOWN	10	9	7	11	12	11	12	10	8	11	13	9	12
DK,NA	3	2	3	3	4	4	3	2	3	3	3	4	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

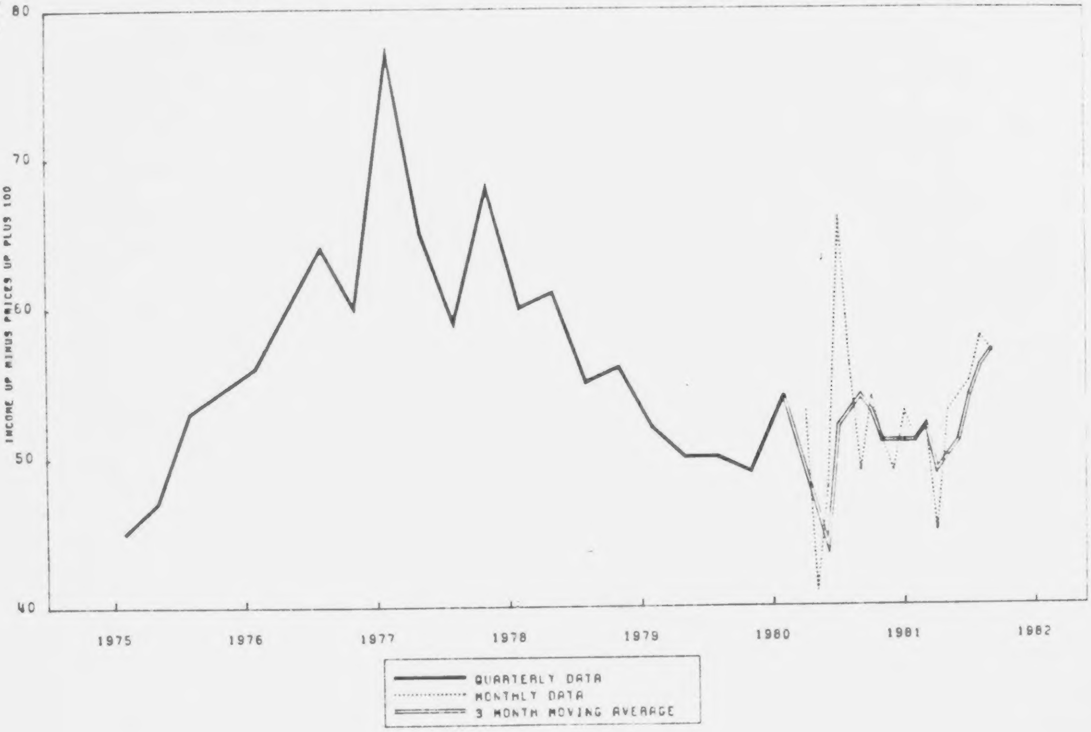

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
INCOME UP MORE	12%	13%	10%	11%	13%	10%	13%	9%	12%	13%	13%	14%	13%
INCOME UP SAME	24	25	30	24	25	28	24	26	28	26	25	29	31
PRICES UP MORE	63	59	59	62	60	59	61	64	59	59	58	56	56
DK,NA	1	3	1	3	2	3	2	1	1	2	4	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

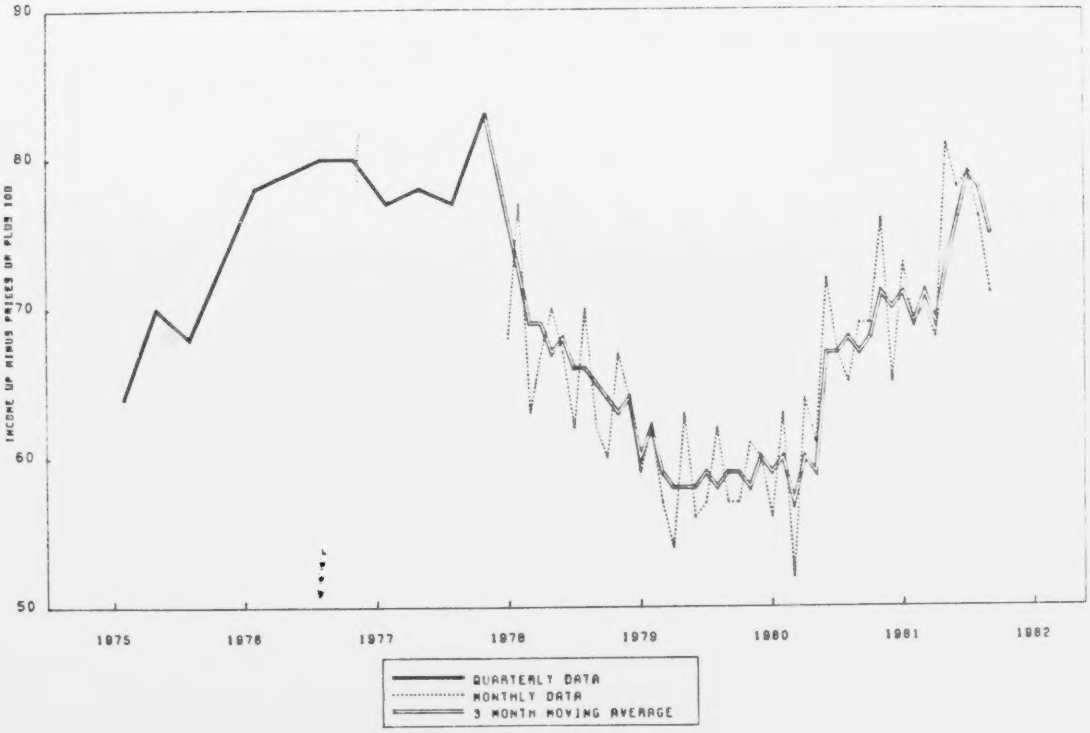

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
INCOME UP MORE	14%	12%	16%	12%	14%	11%	14%	13%	19%	16%	17%	16%	13%
INCOME UP SAME	38	42	42	36	39	43	38	39	41	43	41	40	42
PRICES UP MORE	45	43	40	47	41	42	44	45	38	38	38	40	42
DK,NA	3	3	2	5	6	4	4	3	2	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

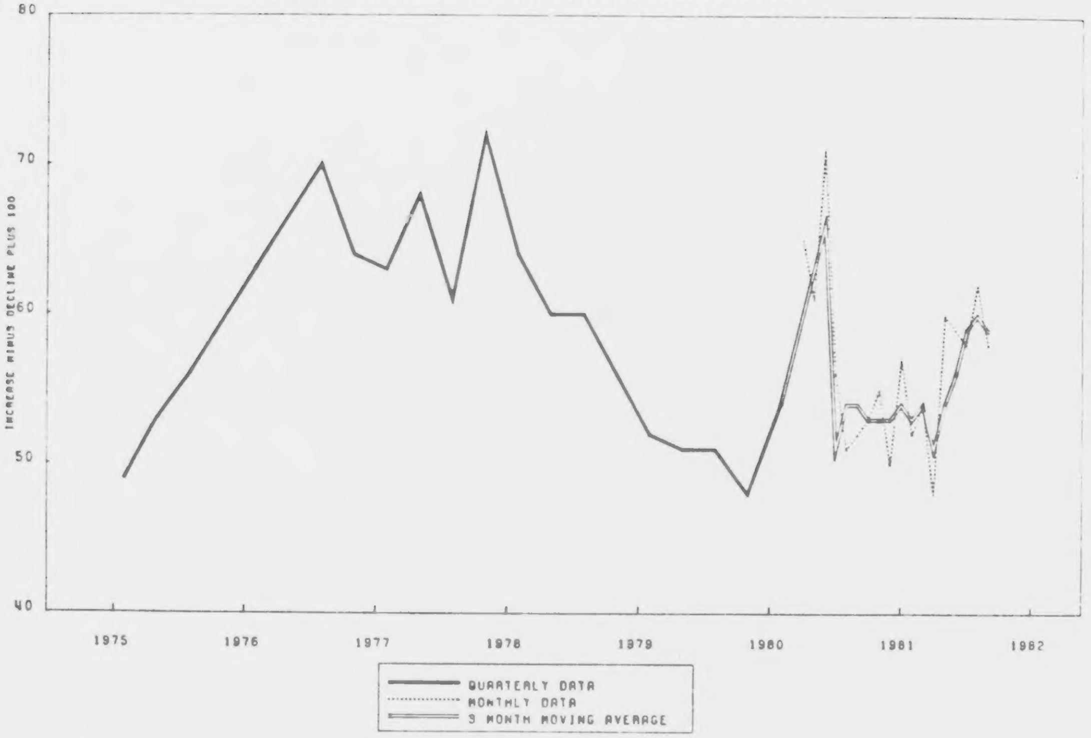

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	6%	6%	5%	6%	4%	6%	4%	6%	6%	8%	7%	5%
Intermittant increase (b)	9	6	9	7	8	8	9	7	10	10	7	8	11
Remain unchanged (c)	14	18	17	14	17	18	14	17	16	17	16	20	19
Intermittant decline (d)	23	25	27	24	22	25	26	25	25	25	25	21	24
Continuous decline (e)	39	34	33	38	35	35	35	38	31	32	32	32	34
Mixed change (f)	6	7	5	6	6	5	5	6	9	6	7	8	4
DK,NA	4	4	3	6	6	5	5	3	3	4	5	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

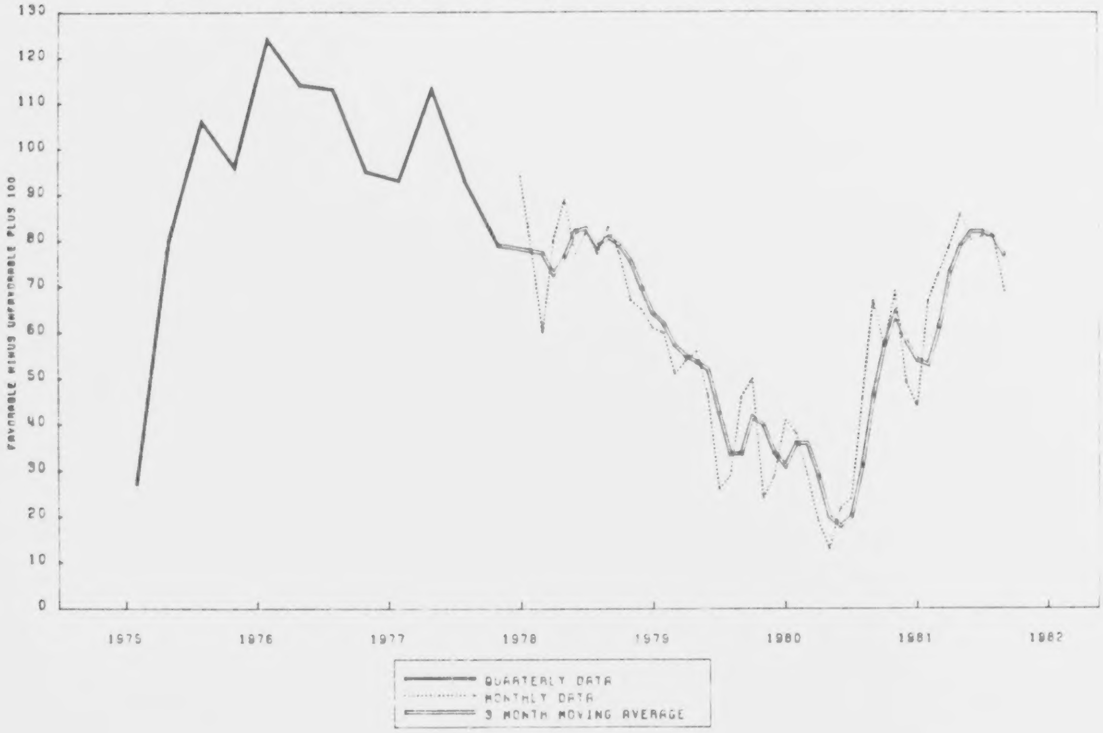
CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

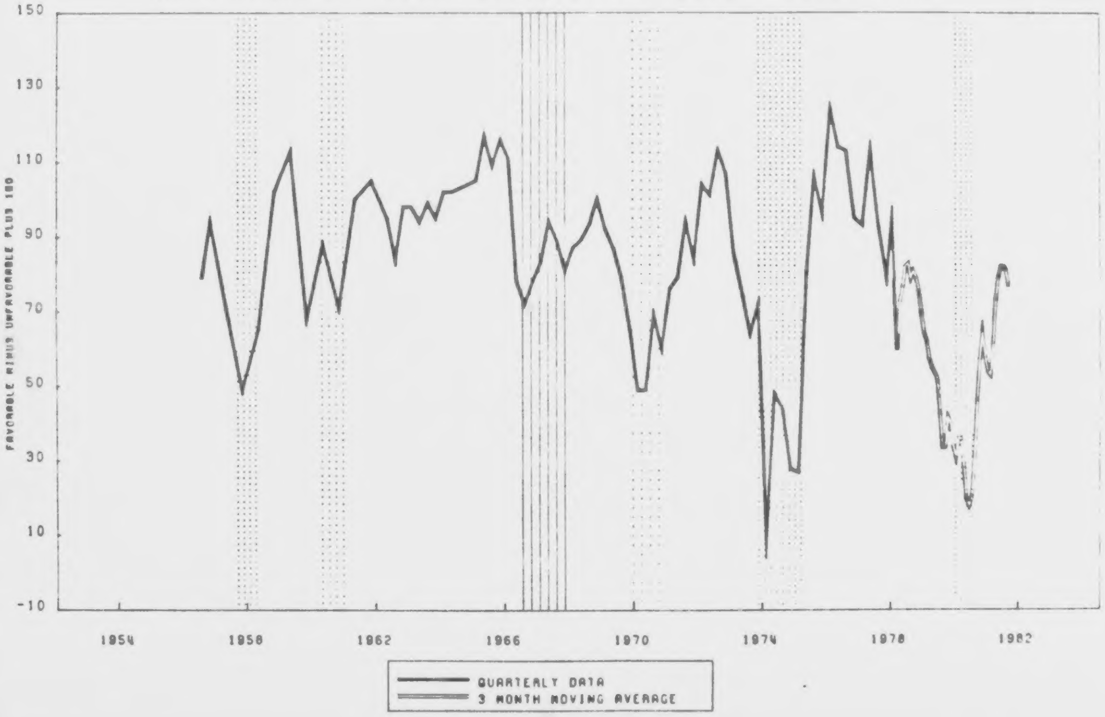
CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
FAVORABLE NEWS	30%	29%	27%	17%	19%	23%	30%	28%	31%	24%	27%	28%	24%
UNFAVORABLE NEWS	63	72	58	68	75	56	57	49	45	44	46	47	55
NO MENTIONS	38	33	47	44	39	46	42	47	47	52	51	48	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
FAVORABLE NEWS:													
Government; elections	2%	1%	7%	4%	4%	9%	9%	6%	4%	6%	4%	7%	8%
Employment	7	10	7	5	4	5	8	7	8	4	7	8	6
Consumer demand high	3	3	2	1	2	1	1	3	4	1	3	2	1
Prices are low	1	2	1	*	*	1	1	2	2	3	4	2	*
Credit is easy	7	3	1	*	3	3	4	5	2	2	2	2	2
UNFAVORABLE NEWS:													
Government; elections	1	4	3	2	4	5	7	7	4	4	5	6	5
Unemployment	25	26	21	18	19	15	19	19	14	16	16	17	19
Consumer demand low	8	8	8	11	14	9	10	6	6	3	4	5	3
Prices are high	10	10	9	8	11	10	6	6	4	5	5	3	5
Credit is tight	8	12	9	19	14	7	4	4	7	9	7	7	10
Energy crisis	*	1	*	1	1	*	1	*	*	*	*	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

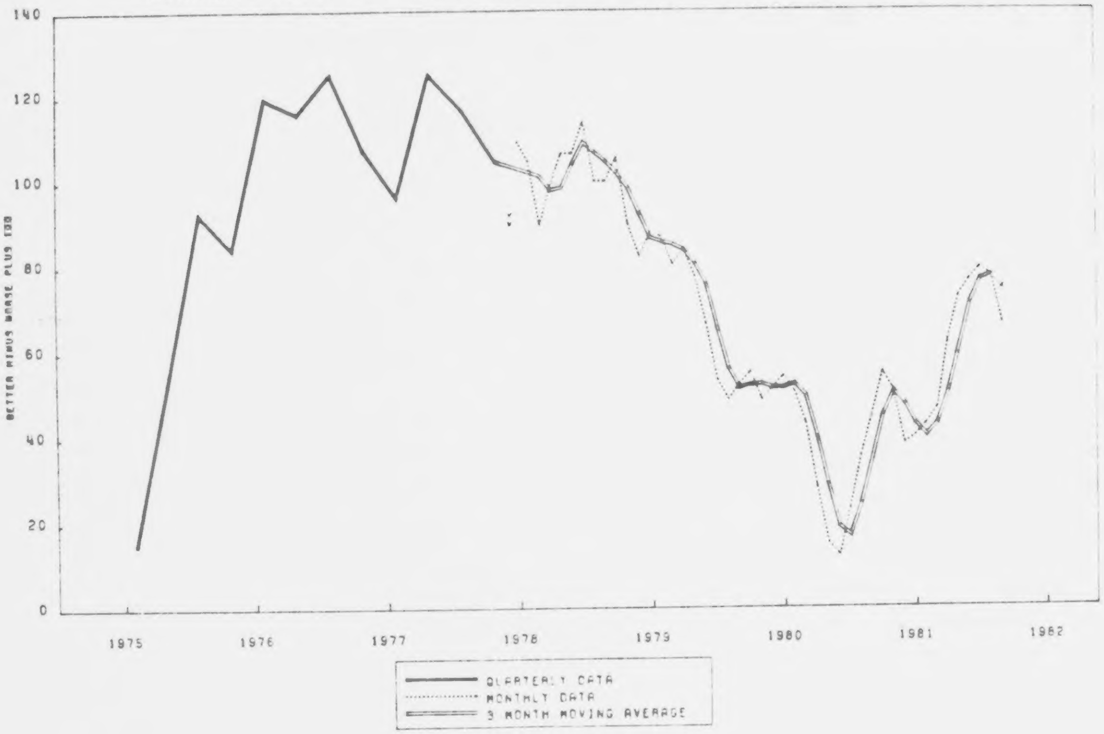

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

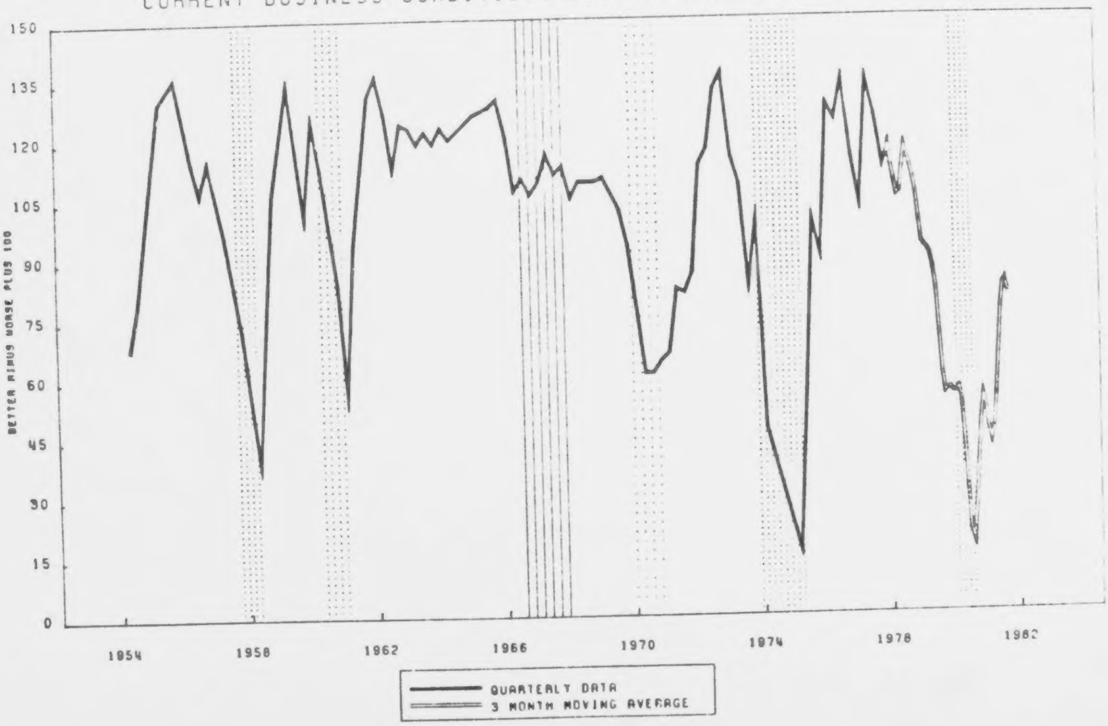

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
BETTER NOW	18%	23%	21%	13%	14%	14%	17%	24%	30%	31%	32%	33%	28%
SAME	10	10	10	12	13	15	14	17	17	18	18	15	12
WORSE NOW	70	64	67	72	71	68	67	57	52	49	47	50	57
DK,NA	2	3	2	3	2	3	2	2	1	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

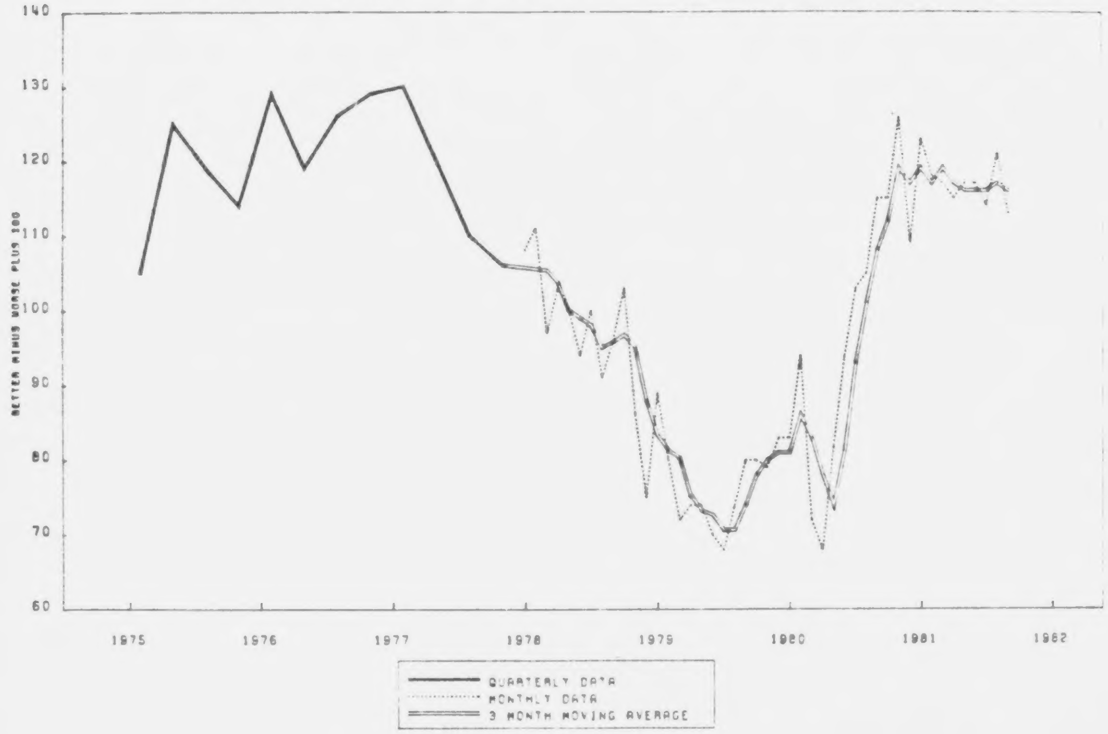

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

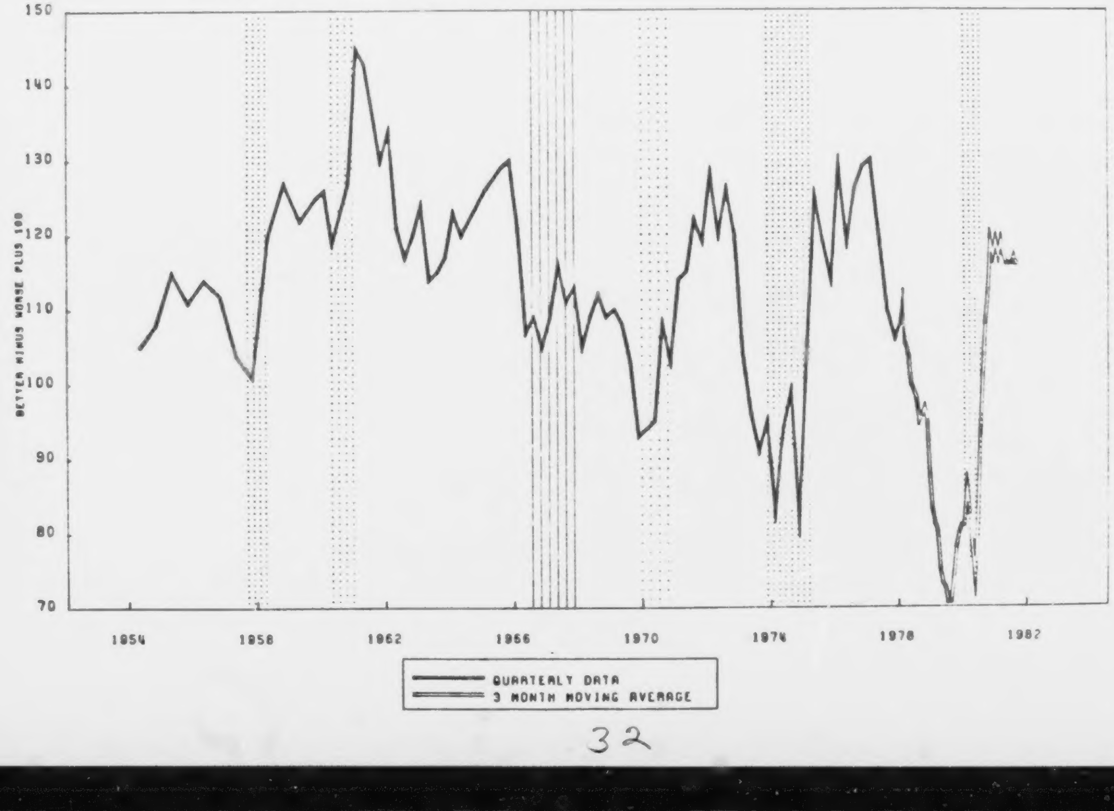

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
BETTER	32%	33%	40%	29%	39%	34%	38%	36%	36%	36%	34%	38%	32%
SAME	47	44	42	46	42	46	38	41	44	42	44	43	45
WORSE	17	18	14	20	16	16	21	21	19	19	20	17	19
DK,NA	4	5	4	5	3	4	3	2	1	3	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
FAVORABLE REASONS:													
Government; elections	15%	16%	34%	27%	35%	32%	32%	31%	25%	25%	21%	29%	24%
Employment	5	5	5	3	4	2	4	4	4	3	3	3	2
Higher consumer demand	4	5	3	2	2	3	2	2	2	3	2	3	4
Lower prices	3	3	2	3	2	2	3	2	3	2	4	3	2
Easier credit	3	2	3	2	4	2	2	2	3	4	3	4	4
UNFAVORABLE REASONS:													
Government; elections	7	11	7	8	7	7	9	8	8	12	11	12	11
Unemployment	6	4	5	8	7	6	6	6	5	8	9	6	7
Lower consumer demand	3	2	2	6	5	4	4	5	4	4	5	3	6
Higher prices	10	10	8	10	8	12	8	10	6	8	7	4	9
Tighter credit	2	2	2	7	4	2	2	2	3	3	5	6	8
Energy crisis	1	1	1	*	1	1	1	*	*	1	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

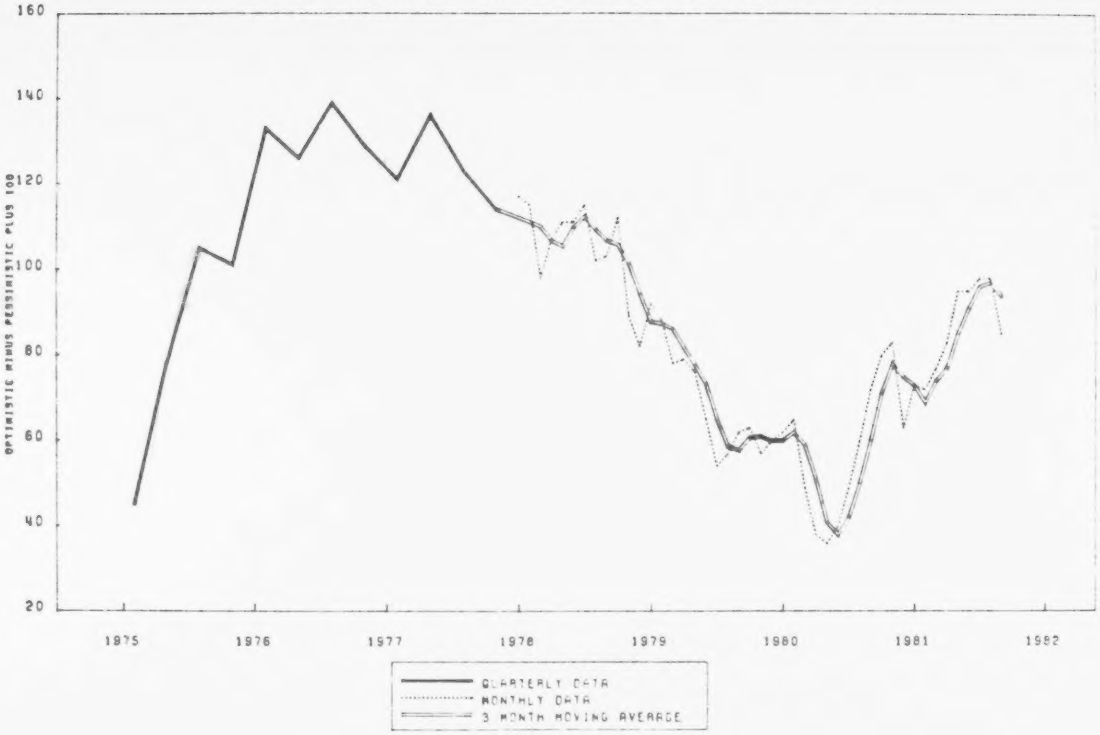

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

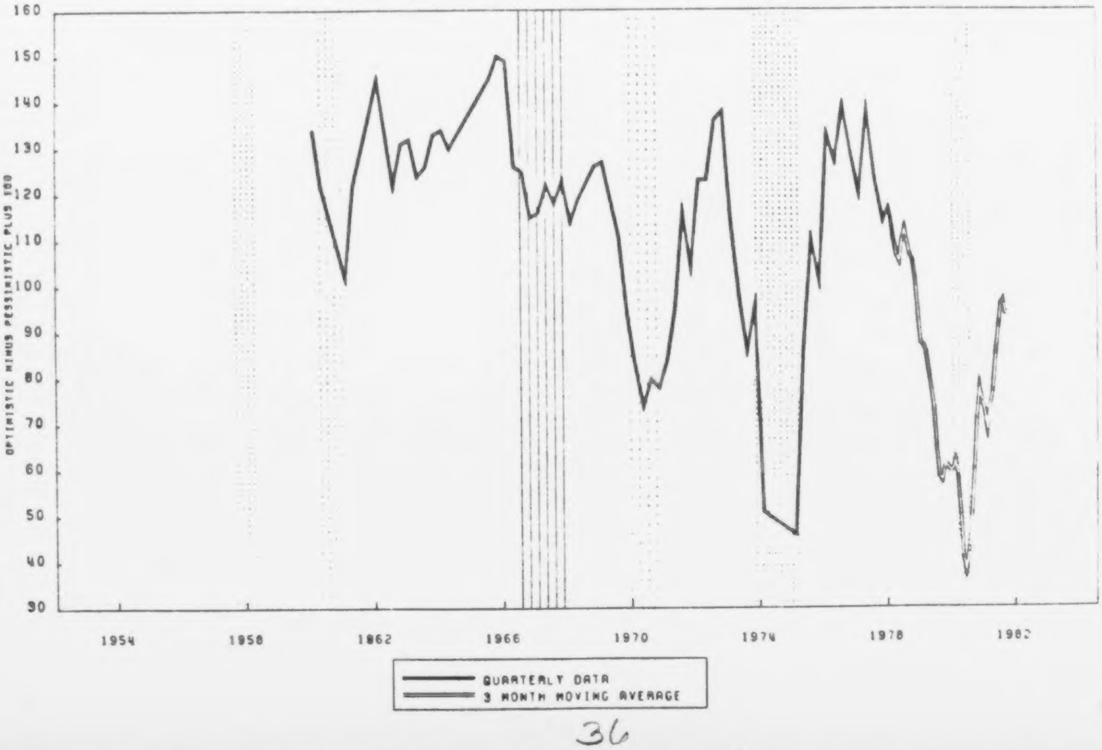

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
TREND:													
Continuous increase (a)	9%	9%	11%	5%	6%	7%	9%	15%	14%	19%	15%	18%	14%
Intermittant increase (b)	10	13	14	10	11	12	12	13	17	16	21	17	16
Remain unchanged (c)	6	5	4	5	7	7	6	8	10	8	8	7	6
Intermittant decline (d)	33	28	29	36	30	33	27	29	24	25	24	25	29
Continuous decline (e)	14	14	13	16	14	14	17	16	12	15	14	12	16
Mixed change (f)	23	23	24	21	27	21	25	16	20	12	13	18	14
DK,NA	5	8	5	7	5	6	4	3	3	5	5	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

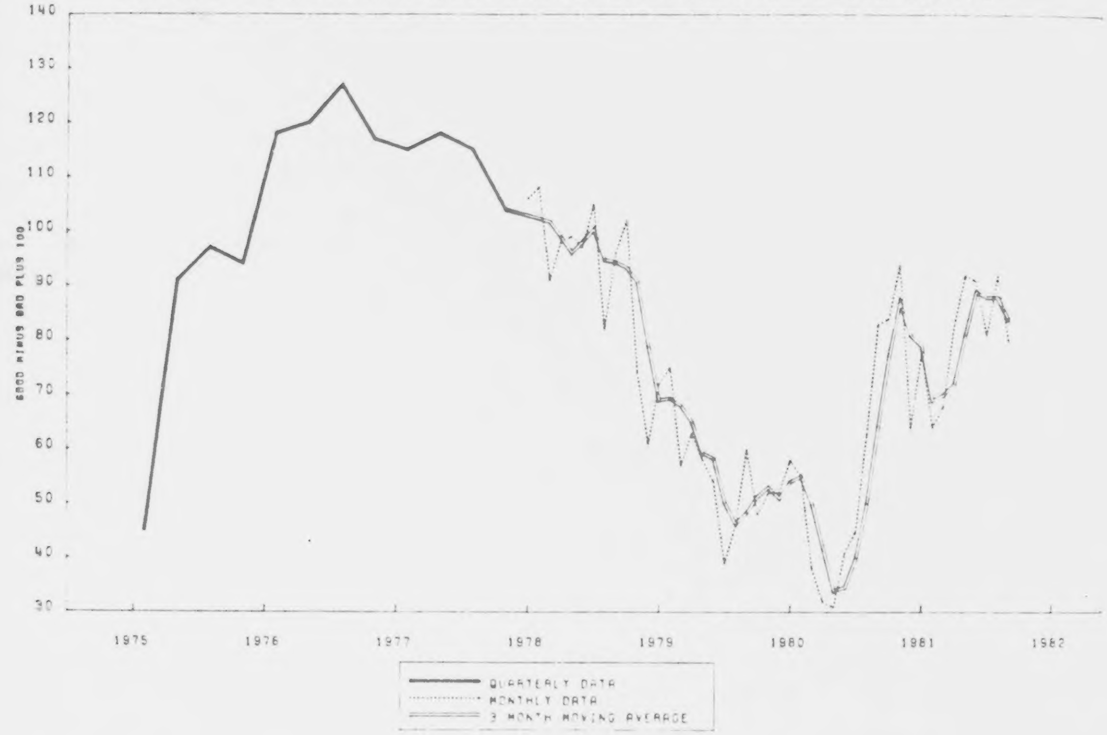

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

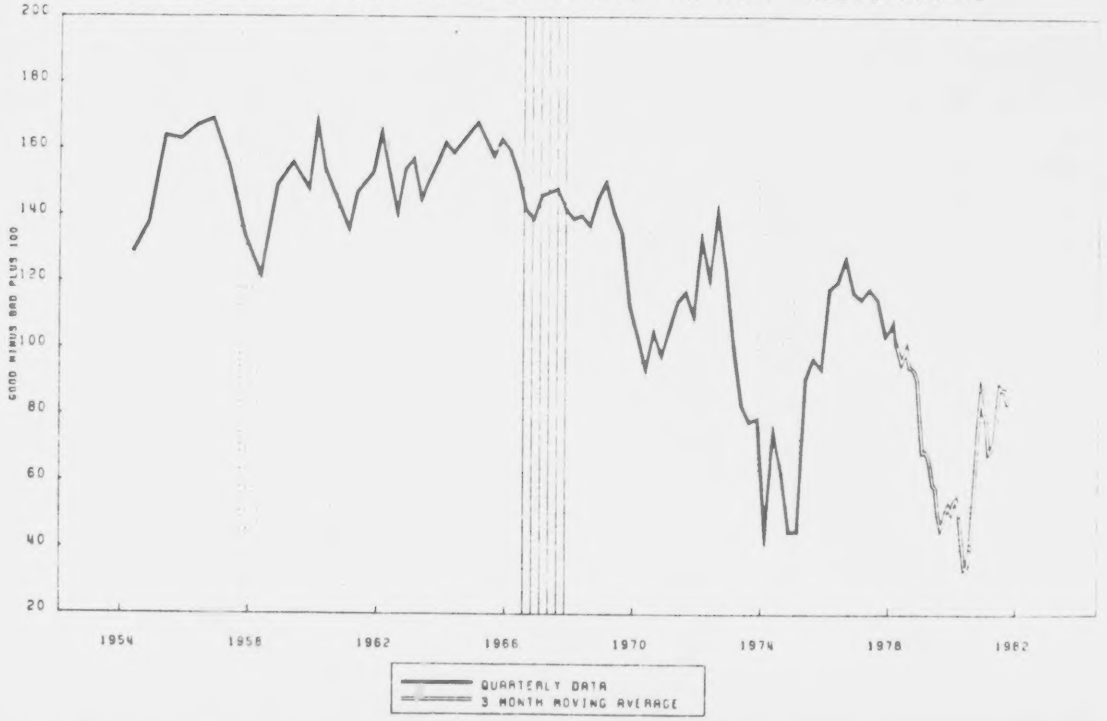

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIMES	35%	33%	39%	26%	31%	26%	27%	36%	41%	41%	35%	40%	33%
UNCERTAIN; GOOD & BAD	2	2	2	1	2	2	3	3	3	2	2	4	3
BAD TIMES	52	49	45	62	53	62	59	53	49	50	54	48	53
DON'T KNOW	7	8	8	7	10	6	6	6	5	5	5	5	6
NOT ASCERTAINED	4	8	6	4	4	4	5	2	2	2	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

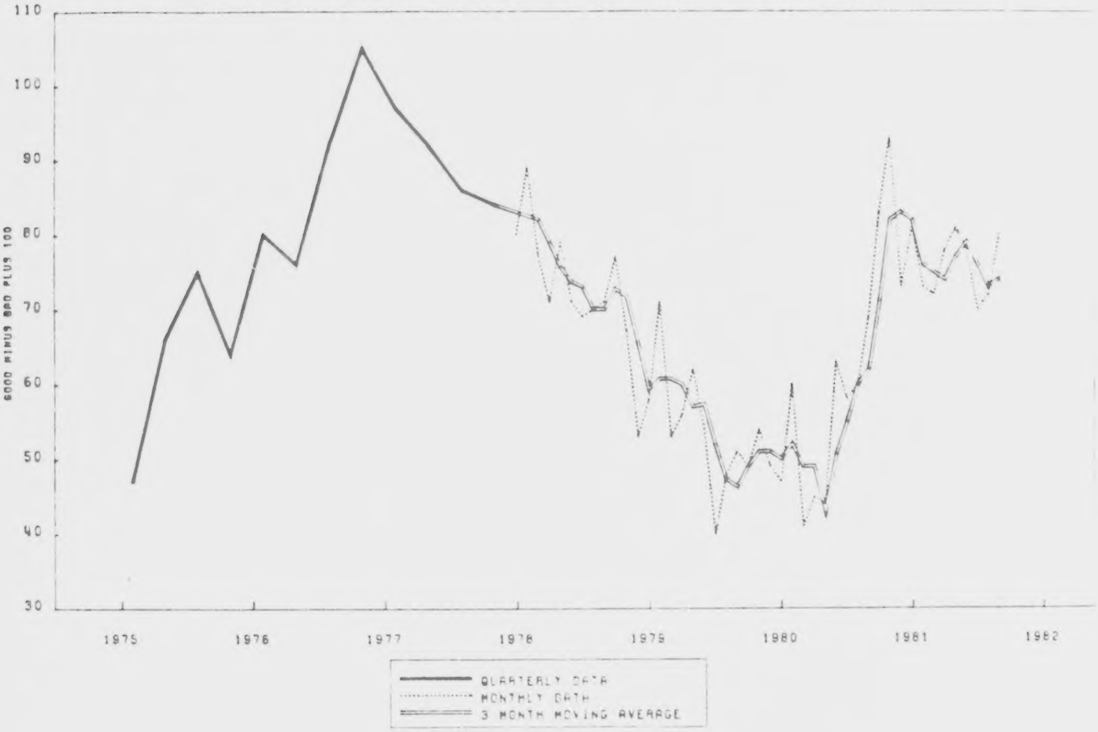

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

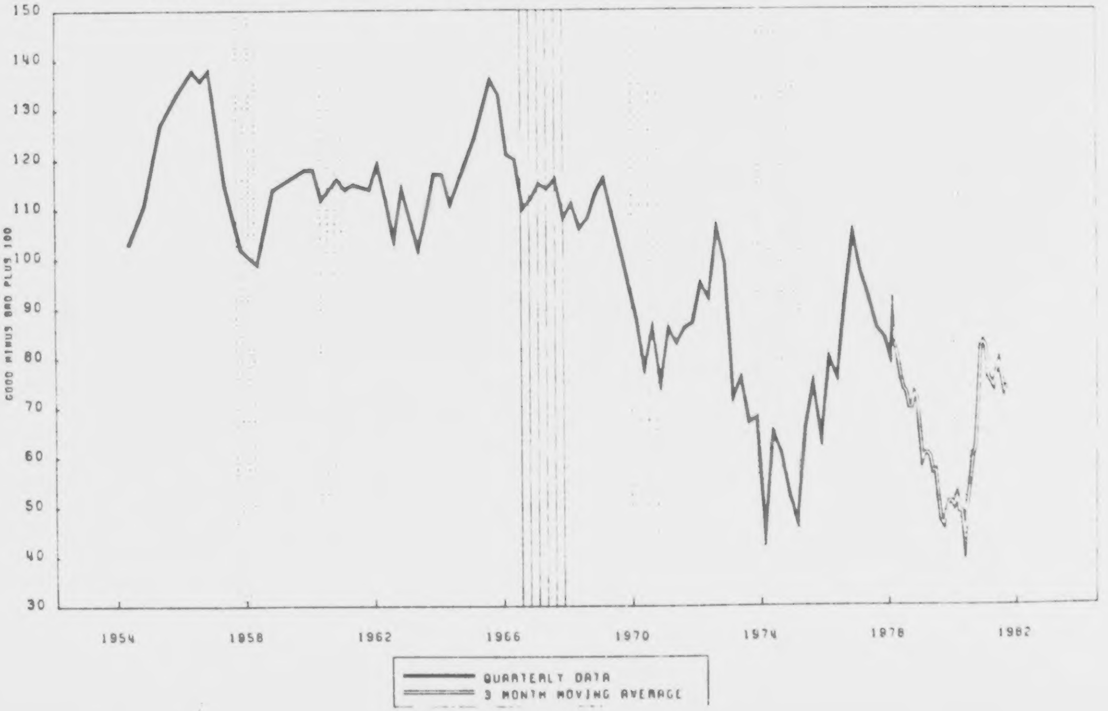

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIMES	25%	27%	36%	25%	30%	28%	27%	30%	33%	33%	27%	28%	30%
UNCERTAIN; GOOD & BAD	14	19	15	16	15	12	14	13	11	9	11	12	16
BAD TIMES	56	44	43	52	49	55	55	52	52	55	57	56	50
NOT ASCERTAINED	5	10	6	7	6	5	4	5	4	3	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

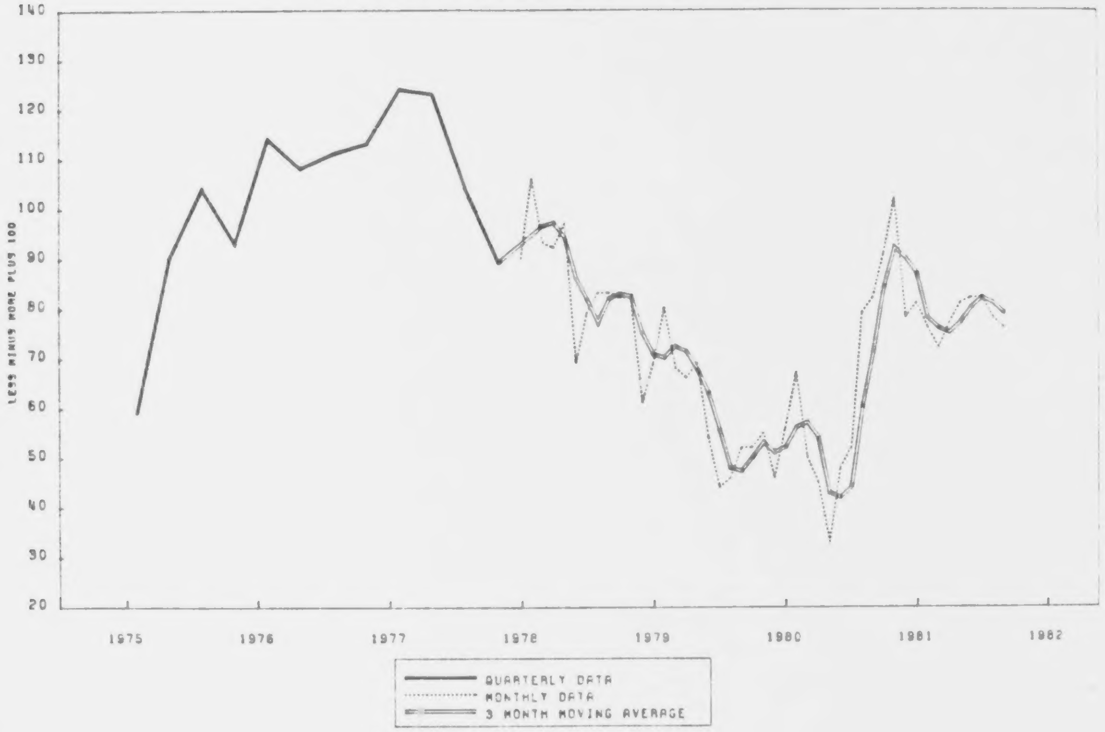

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

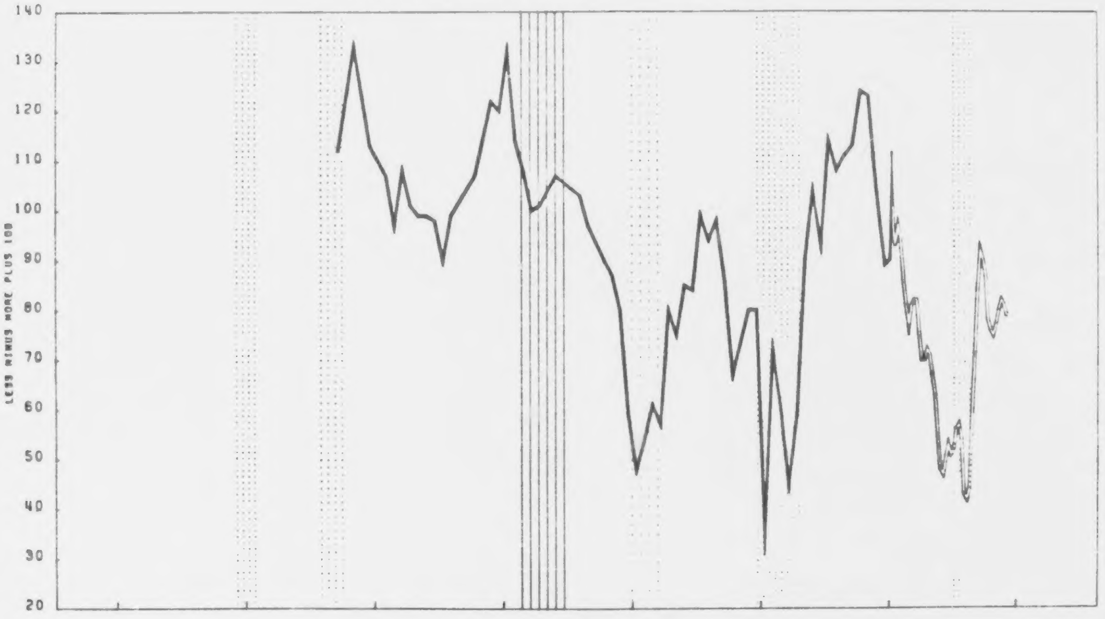

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
LESS	22%	21%	26%	17%	19%	16%	13%	17%	17%	18%	18%	14%	15%
SAME	36	46	47	41	41	42	43	41	46	44	44	47	45
MORE	40	30	24	39	38	40	41	40	36	36	36	36	39
DK,NA	2	3	3	3	2	2	3	2	1	2	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

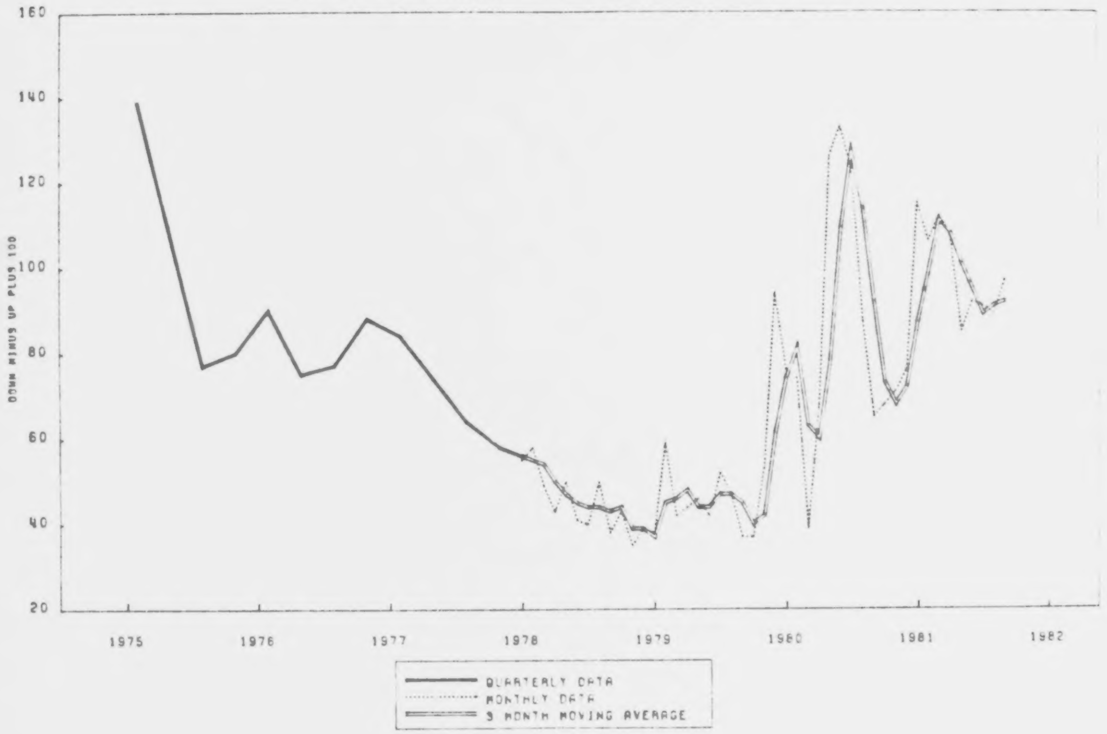

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

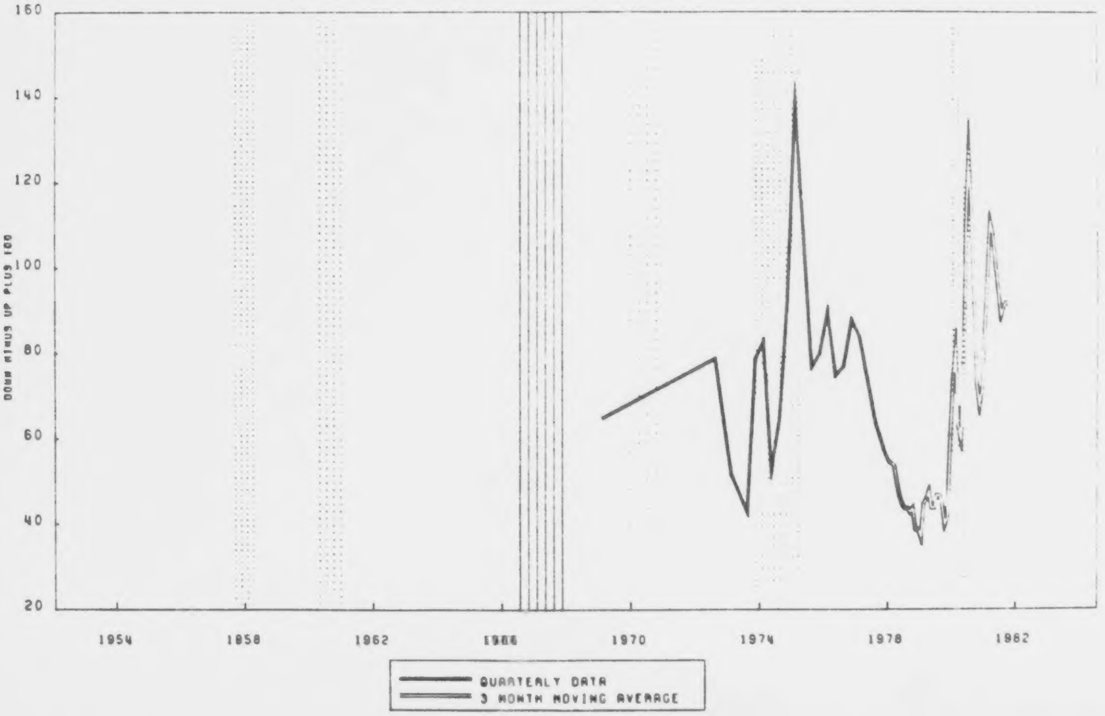

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GO UP	53%	49%	51%	53%	29%	31%	29%	31%	41%	38%	38%	37%	33%
STAY THE SAME	25	26	22	14	20	24	26	27	30	27	28	34	33
GO DOWN	18	17	22	29	44	37	41	38	26	30	29	26	30
DK,NA	4	8	5	4	7	8	4	4	3	5	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

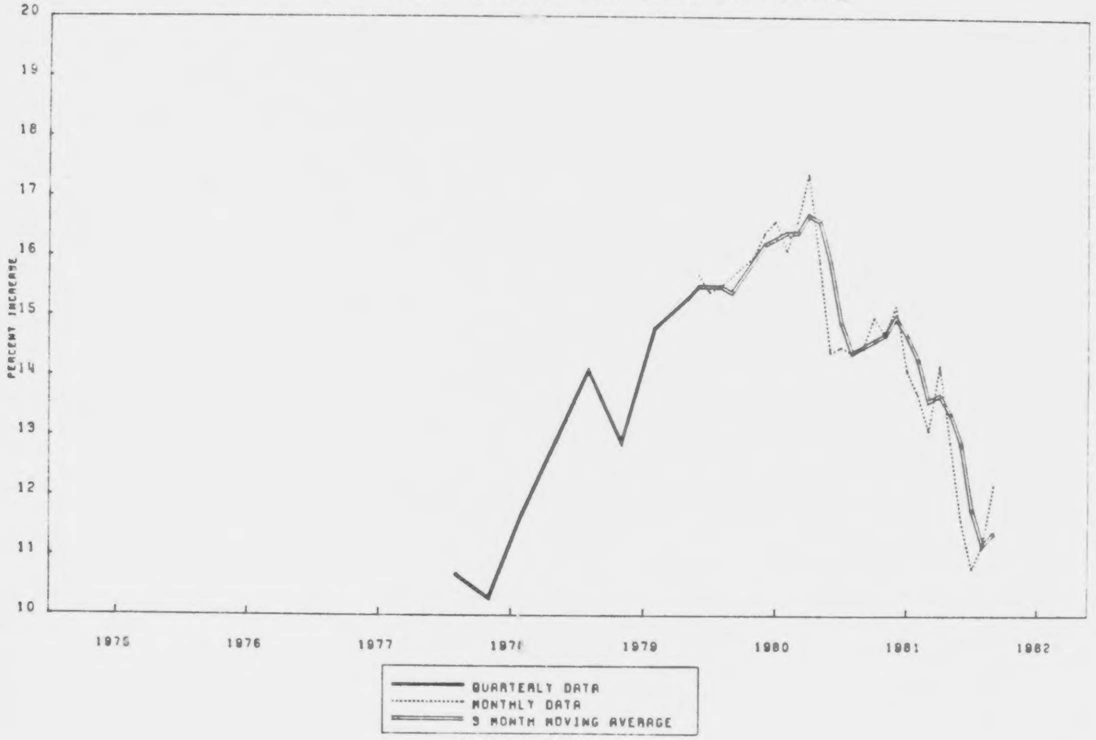

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
SAME OR DOWN	4%	2%	3%	2%	3%	2%	4%	4%	5%	9%	10%	11%	10%
GONE UP BY:													
1-2%	2	3	2	2	2	3	2	4	2	4	3	4	3
3-4%	5	4	4	3	4	4	4	5	7	6	6	7	4
5%	7	11	7	9	7	8	7	6	8	8	8	8	9
6-9%	9	11	12	9	8	8	10	12	10	10	10	10	14
10-14%	24	23	27	26	31	32	29	26	31	25	23	24	24
15% or more	31	32	29	32	28	25	25	30	27	22	20	21	23
DK how much up	17	14	16	16	17	17	18	13	10	16	20	15	12
DK,NA	1	*	*	1	*	1	1	*	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6	10.8	11.2	12.2
VARIANCE	151	169	161	158	130	128	111	156	123	112	104	107	142
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

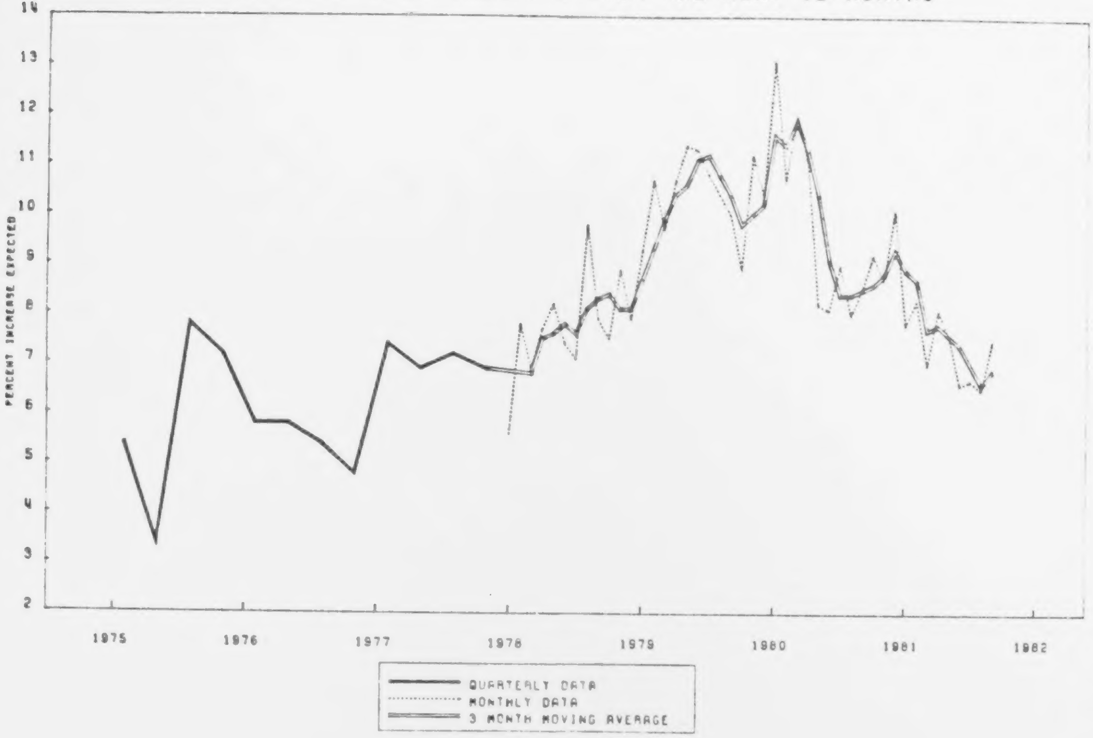

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

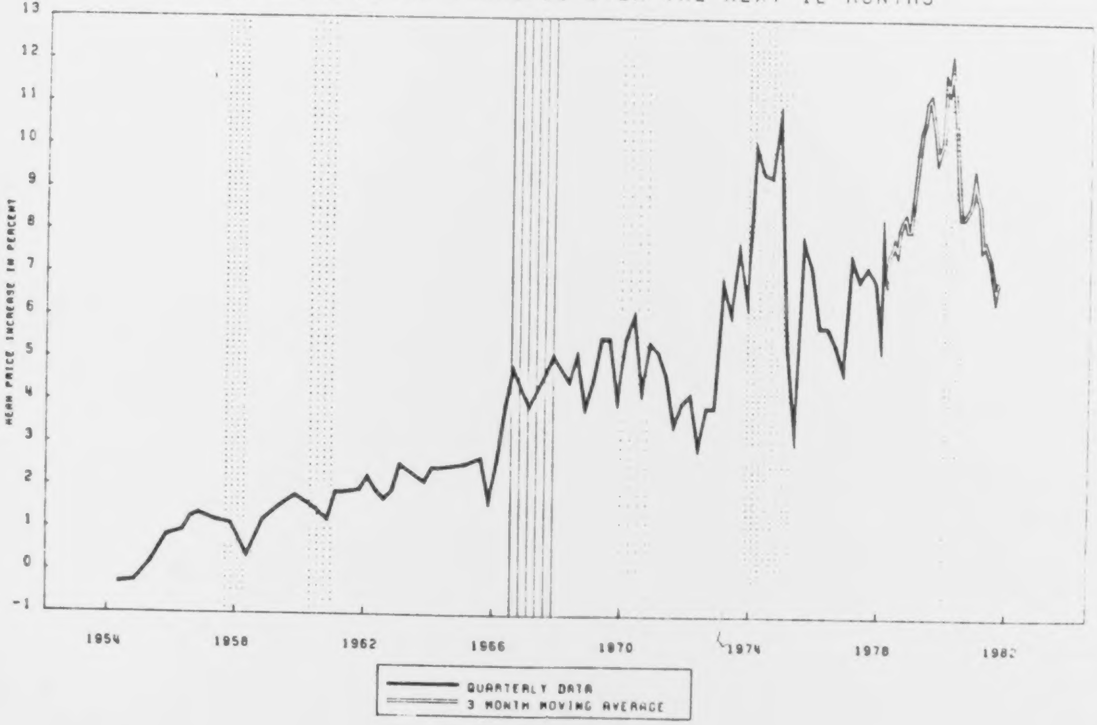

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
SAME OR DOWN	17%	20%	25%	17%	21%	18%	26%	27%	25%	31%	31%	28%	30%
WILL GO UP BY:													
1-2%	5	3	3	3	3	5	2	4	2	4	2	6	4
3-4%	5	6	5	5	6	9	8	7	8	6	6	6	8
5%	11	10	8	9	7	9	11	9	10	8	10	12	9
6-9%	10	10	12	11	12	12	11	9	13	12	15	11	11
10-14%	23	24	20	25	28	23	20	20	22	21	16	16	17
15% or more	13	16	14	18	9	12	9	14	11	10	10	10	13
DK how much up	13	9	11	10	11	10	11	8	7	7	10	8	7
DK,NA	3	2	2	2	3	2	2	2	2	1	*	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6	6.7	6.5	7.5
VARIANCE	68	100	102	107	54	74	57	97	79	57	71	60	91
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

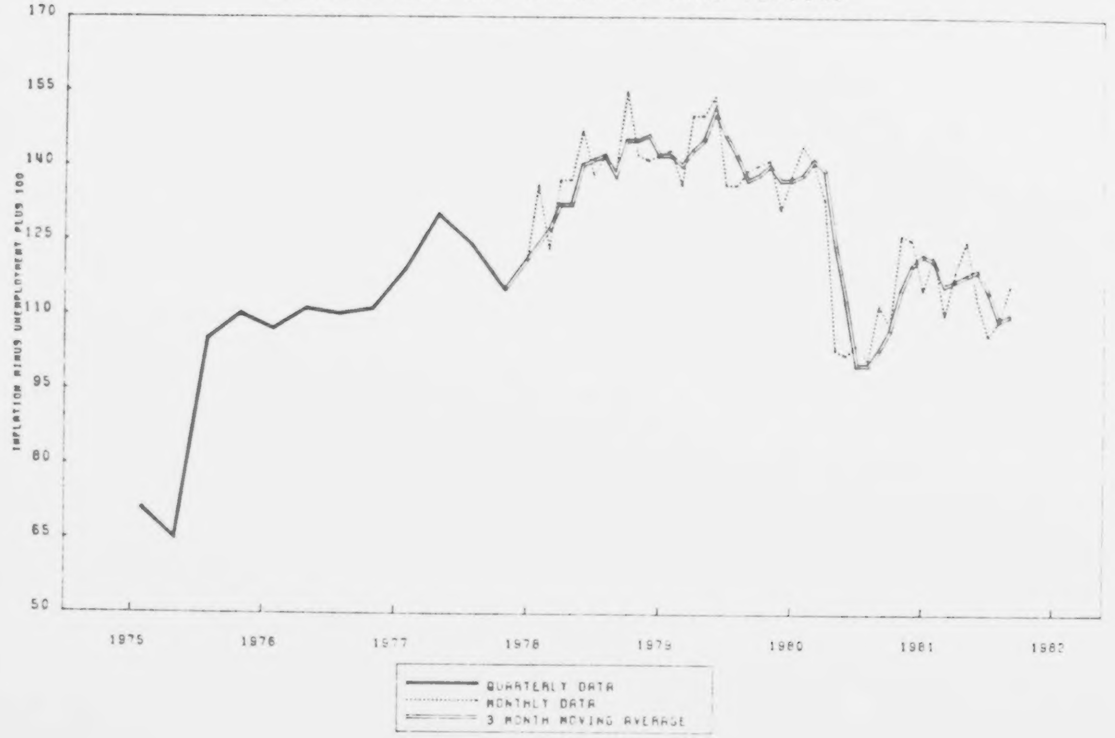

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

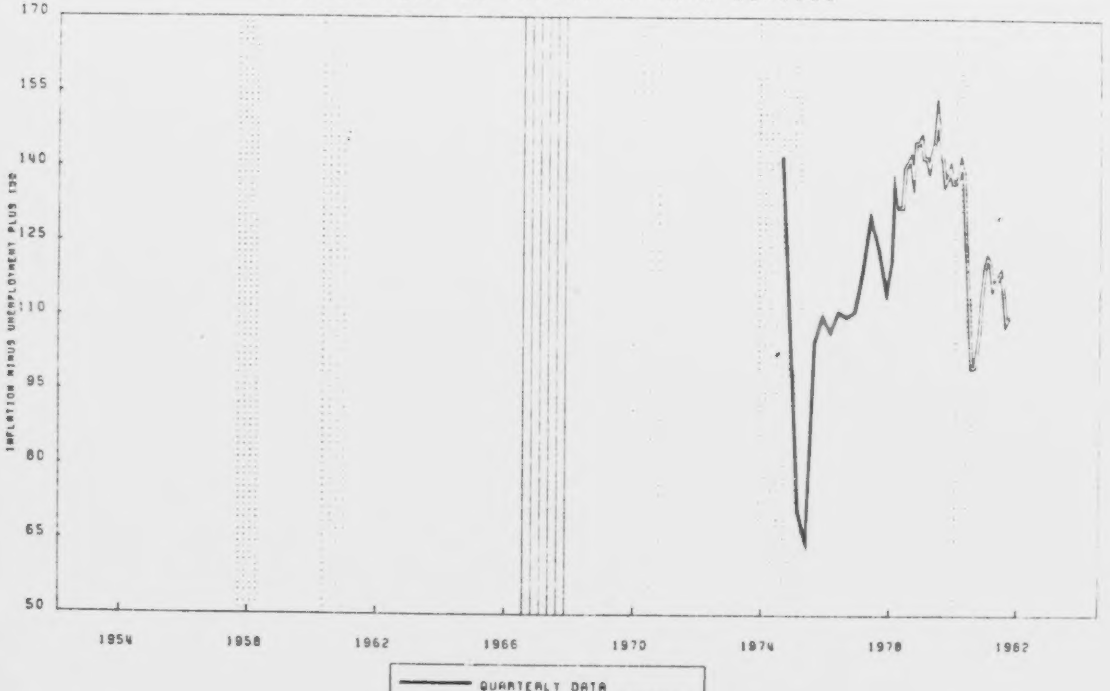

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
UNEMPLOYMENT	38%	40%	31%	32%	34%	34%	39%	35%	33%	36%	42%	39%	37%
BOTH EQUALLY SERIOUS	9	11	11	9	14	8	11	8	8	14	9	11	9
INFLATION	50	48	57	57	49	56	49	54	58	49	48	48	53
DK,NA	3	1	1	2	3	2	1	3	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

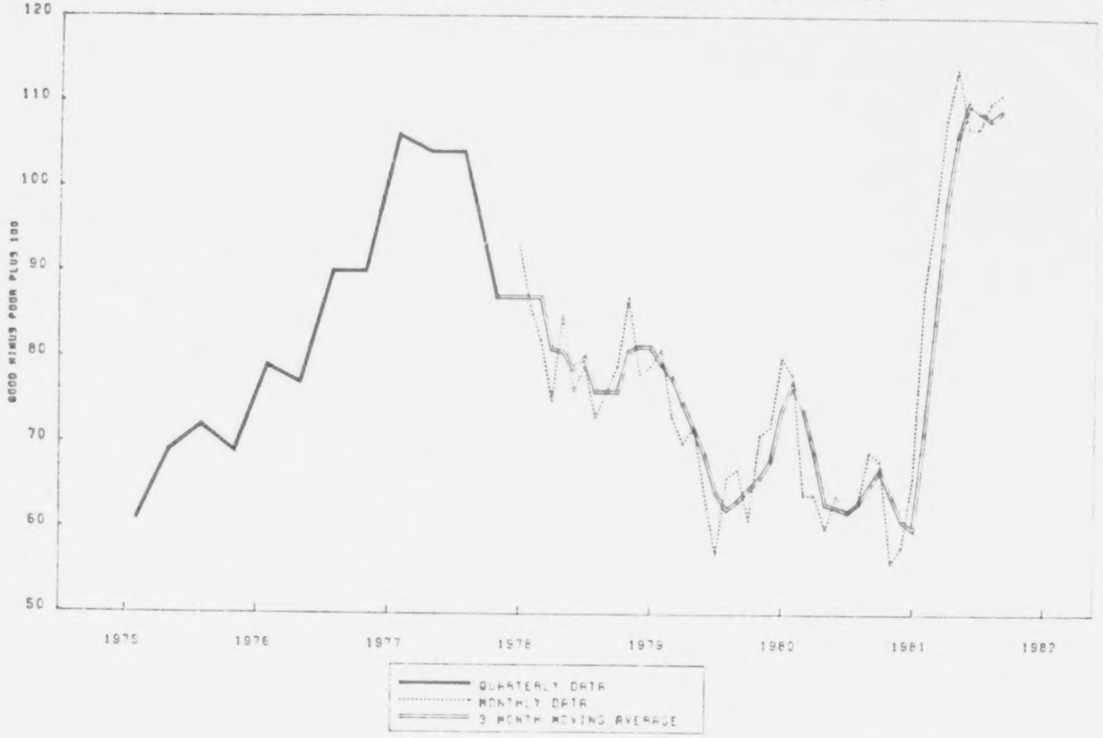

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

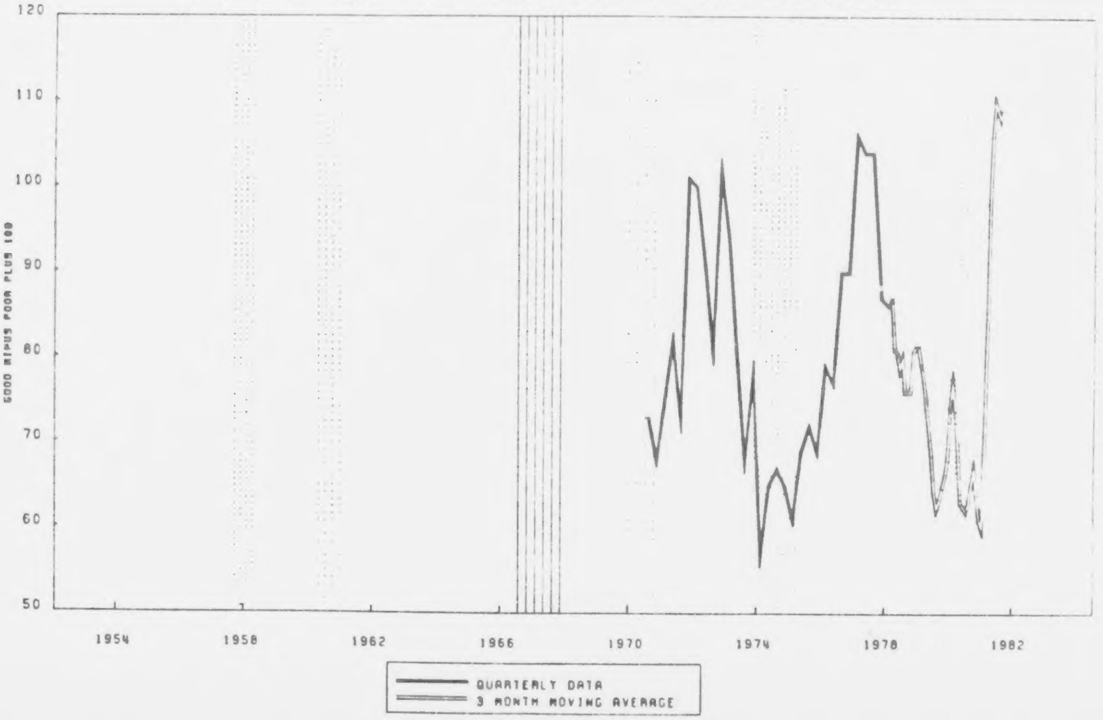

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
A GOOD JOB	10%	8%	6%	7%	10%	19%	22%	28%	30%	25%	28%	31%	31%
ONLY FAIR	46	50	41	42	42	40	45	47	49	54	47	44	45
A POOR JOB	41	40	50	49	44	31	25	20	16	18	21	21	20
DK,NA	3	2	3	2	4	10	8	5	5	3	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

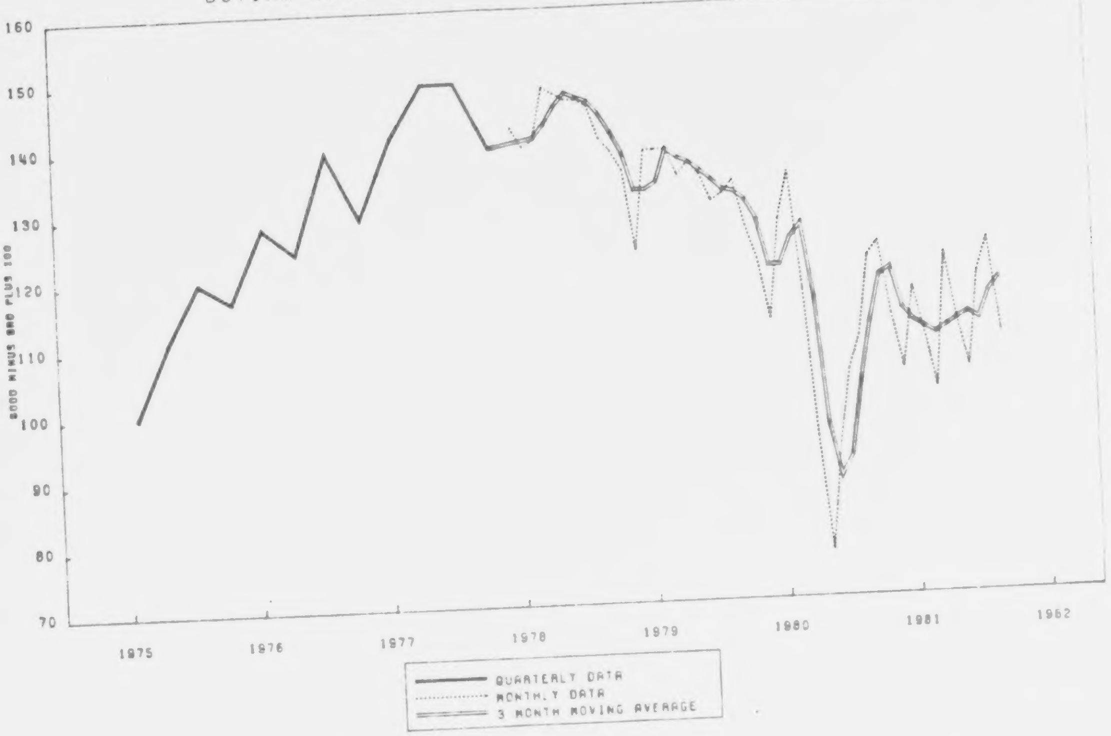

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

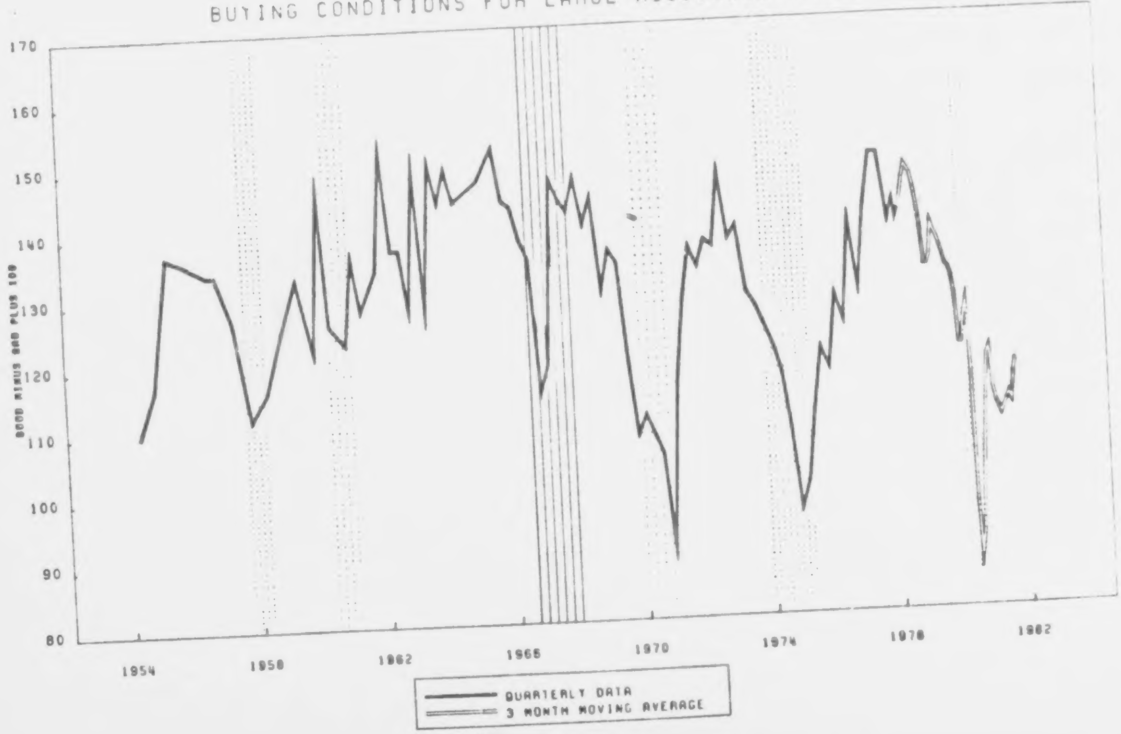

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY	52%	55%	50%	45%	50%	47%	43%	54%	50%	44%	53%	55%	44%
UNCERTAIN, DEPENDS	17	13	12	14	16	15	15	13	11	16	12	13	21
BAD TIME TO BUY	31	32	38	41	34	38	42	33	39	40	35	32	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	20%	20%	17%	23%	23%	22%	21%	16%	20%	24%	24%	20%
Prices won't come down; are going higher	31	30	31	24	28	24	23	31	30	23	27	26	21
Interest rates low; credit is easy	3	4	2	3	2	3	1	2	3	1	2	3	1
BAD TIME TO BUY:													
Prices are high	20	16	23	26	17	24	23	19	25	22	23	17	21
Interest rates are high; credit is tight	13	17	17	22	25	26	22	17	18	23	17	21	21
Lack of purchasing power	12	11	11	11	11	13	16	12	9	13	8	7	9

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

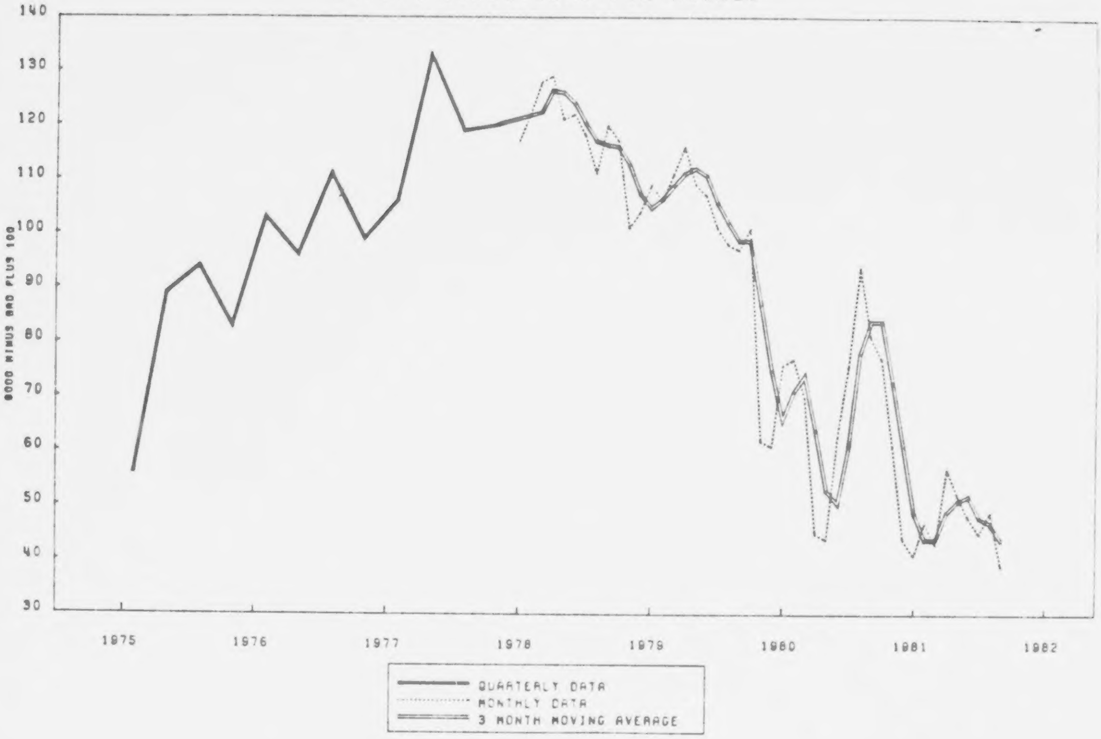

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

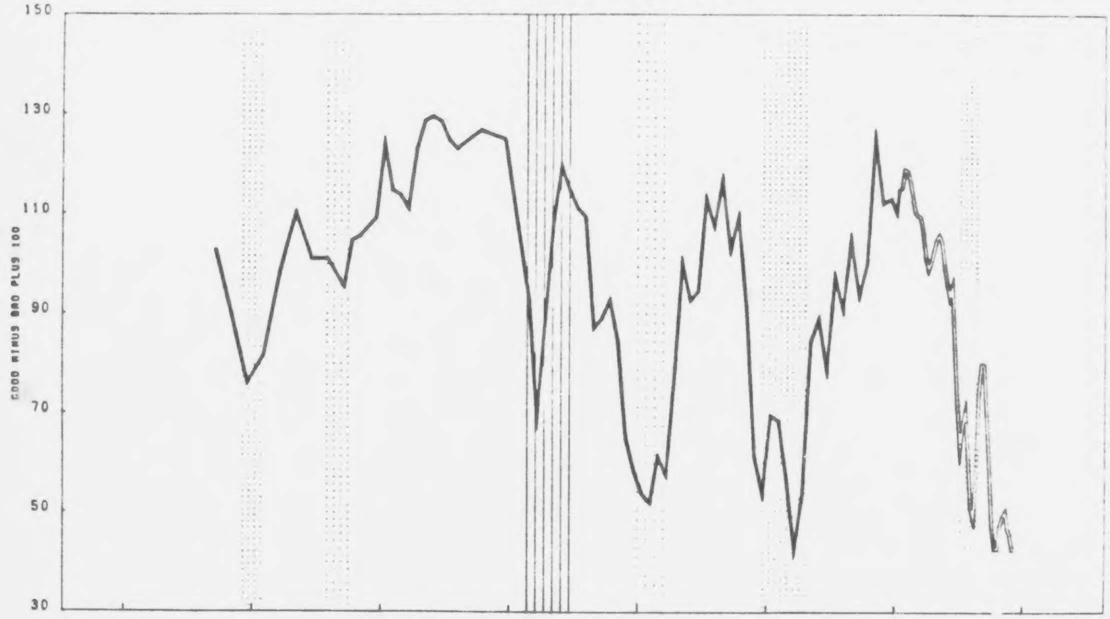

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY	38%	36%	28%	19%	18%	21%	20%	26%	24%	20%	20%	21%	15%
UNCERTAIN, DEPENDS	5	5	5	6	5	5	3	5	4	8	5	7	9
BAD TIME TO BUY	57	59	67	75	77	74	77	69	72	72	75	72	76
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	4%	4%	4%	3%	5%	4%	5%	5%	5%	5%	6%	5%
Prices won't come down; are going higher	17	17	16	10	12	10	9	12	10	10	10	10	7
Interest rates low; credit is easy	22	16	10	6	4	7	5	9	7	5	6	8	6
Good investment	9	8	7	6	7	10	7	8	6	6	7	5	4
BAD TIME TO BUY:													
Prices are high	29	27	28	28	32	31	32	30	28	30	30	23	30
Interest rates are high; credit is tight	50	56	66	77	76	73	76	66	71	71	71	76	80
Lack of purchasing power	11	12	11	12	10	14	13	12	11	13	12	11	15

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

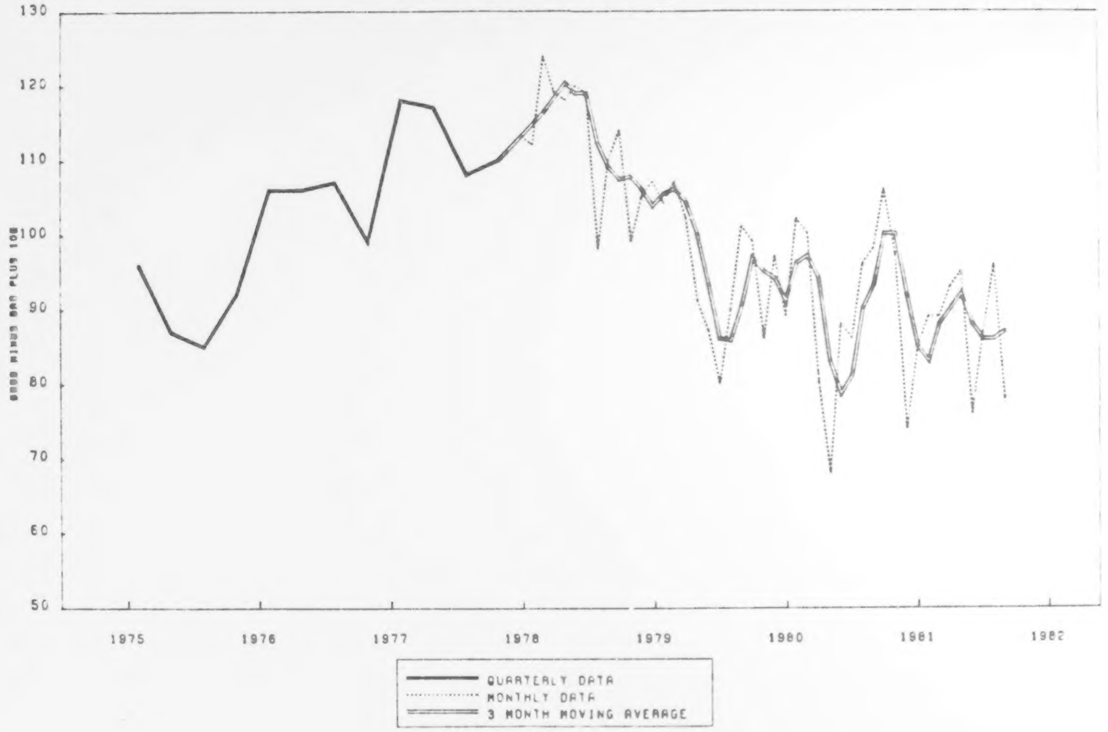

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

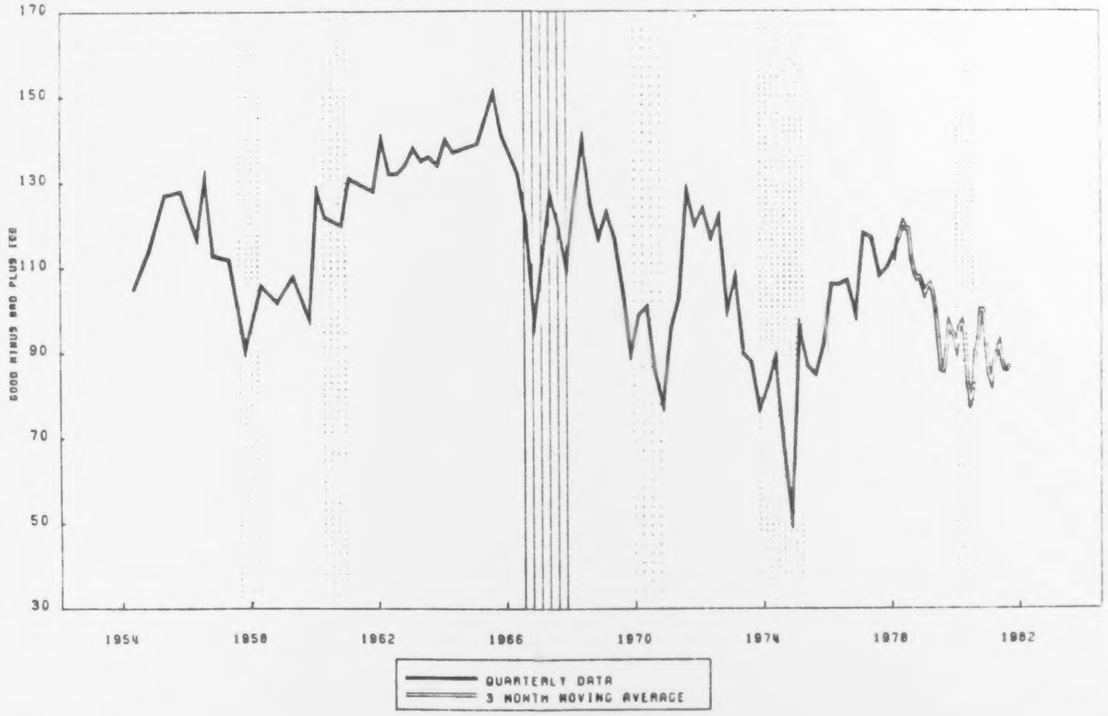

TABLE 30

BUYING CONDITIONS FOR CARS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY	42%	45%	41%	33%	36%	39%	39%	42%	44%	33%	40%	43%	34%
UNCERTAIN; DEPENDS	14	16	15	8	13	11	11	9	7	10	7	10	10
BAD TIME TO BUY	44	39	44	59	51	50	50	49	49	57	53	47	56
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	17%	17%	13%	18%	22%	30%	25%	23%	14%	17%	19%	14%
Prices won't come down; are going higher	19	17	16	12	13	12	10	19	15	12	18	18	15
Interest rates low; credit is easy	4	3	3	4	5	3	2	3	4	2	3	5	6
New fuel efficient models	9	12	7	5	4	4	6	4	5	5	5	4	4
BAD TIME TO BUY:													
Prices are high	31	23	28	31	33	31	34	31	33	34	33	26	30
Interest rates are high; credit is tight	10	14	17	29	28	27	21	22	17	28	25	26	31
Lack of purchasing power	6	8	7	9	7	7	10	8	6	6	6	5	8
Price of gas; shortages	5	4	4	5	4	8	6	5	3	2	3	4	3
Poor selection; quality	11	13	10	12	9	9	9	8	10	9	11	8	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
PROBABLY WILL BUY	16%	15%	17%	14%	15%	16%	14%	15%	17%	17%	14%	19%	17%
CHANCES ARE EVEN	6	7	6	6	8	7	6	8	9	8	7	7	3
PROBABLY WILL NOT BUY	70	67	66	67	66	62	67	65	63	66	64	59	67
DK,NA	8	11	11	13	11	15	13	12	11	9	15	15	13
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	685	694	684	698	668	703	690	667	675	694	696	681

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	22%	22%	23%	20%	23%	23%	20%	23%	26%	25%	21%	26%	20%
PURCHASE TYPE:													
Buy new	11	12	11	8	11	10	9	11	11	10	9	12	9
Buy used	9	7	9	9	8	10	9	10	12	11	9	11	9
Lease	1	2	*	1	1	1	1	1	1	2	2	2	1
DK,NA	1	1	3	2	3	2	1	1	2	2	1	1	1
PURCHASE TIMING:													
Next 3 months	1	3	4	2	3	1	1	5	5	2	5	3	2
Next 4-6 months	6	4	3	3	5	6	4	8	5	7	6	7	4
Next 7-9 months	2	7	6	5	6	7	5	5	7	7	2	3	5
10 months or more	4	4	4	5	4	3	5	2	3	5	3	7	5
DK,NA	9	4	6	5	5	6	5	3	6	4	5	6	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	70%	67%	66%	67%	66%	62%	67%	65%	63%	66%	64%	59%	67%
PURCHASE TYPE:													
Would buy new	38	44	38	37	35	33	34	39	37	37	35	34	33
Would buy used	30	20	26	27	29	28	28	24	25	27	27	23	31
DK,NA	2	3	2	3	2	1	5	2	1	2	2	2	3
PURCHASE TIMING:													
Less than 2 years	5	5	6	7	6	5	6	9	6	5	4	7	5
2 years	23	20	23	20	17	23	23	19	22	20	19	18	23
3 years	12	15	11	12	12	9	9	9	10	11	11	10	10
4 years or more	18	15	15	18	19	16	19	22	15	20	18	18	21
Indefinite	4	3	5	3	5	3	3	3	4	5	5	1	2
DK,NA	8	9	6	7	7	6	7	3	6	5	7	5	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

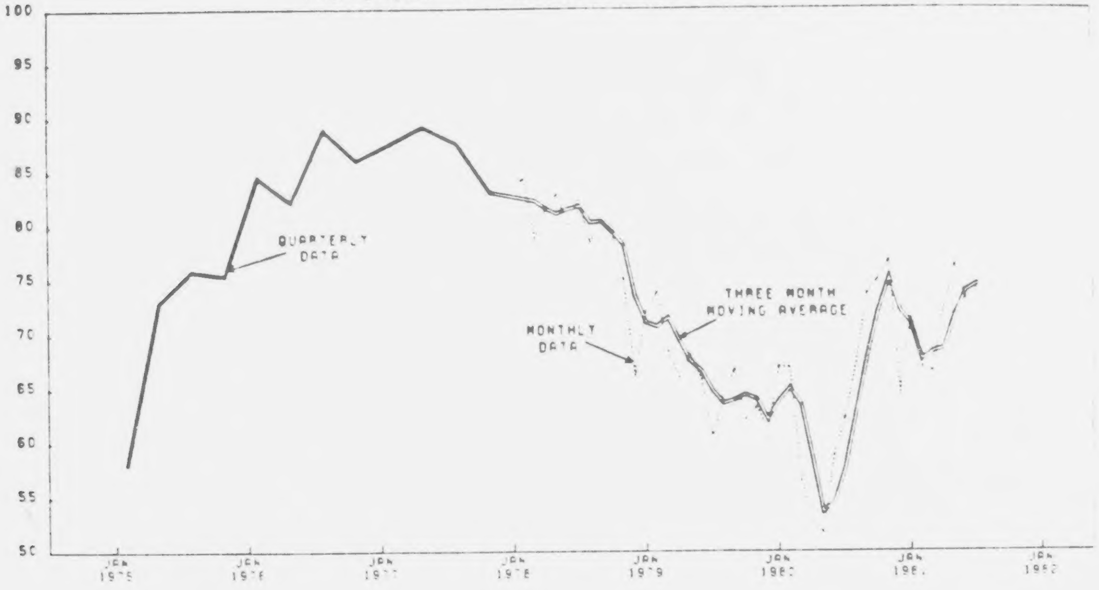
CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

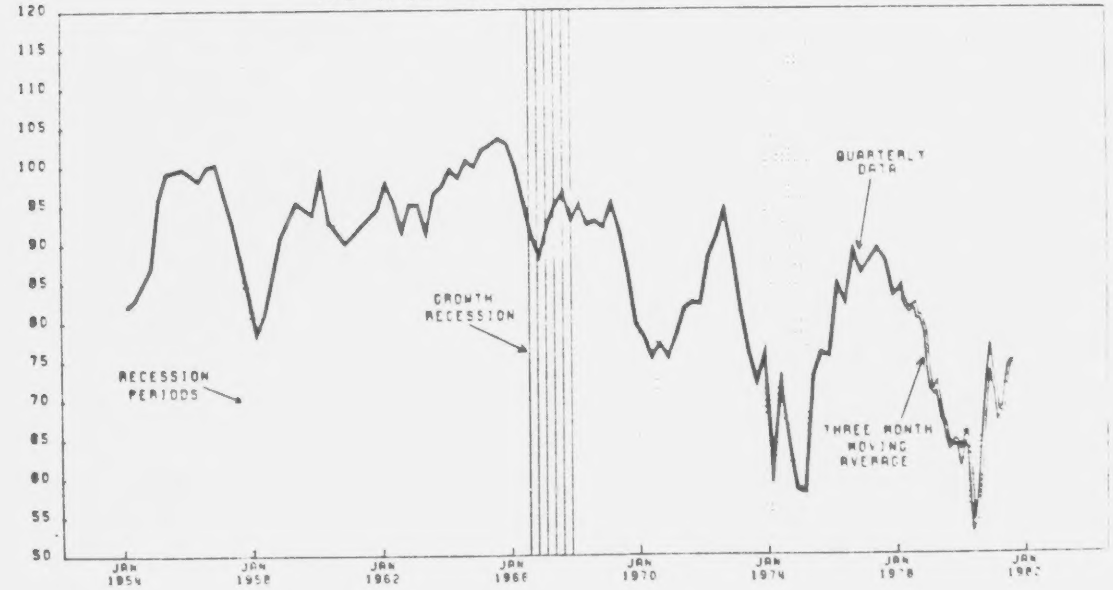
CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarters) before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scales represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

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September 28, 1981

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

SEPTEMBER 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

BUYING ATTITUDES WORSEN

** In the September 1981 survey, the Index of Consumer Sentiment was 73.1, down 4.1 Index points from August, and nearly equal to the 73.7 recorded in September 1980. The major factors in the recent decline were less favorable attitudes toward short-term business prospects, and less favorable buying attitudes.

** Among families with incomes of $25,000 or more, the Index was 73.3 in September 1981, down from 85.0 in August 1981, and 78.5 in September 1980. The families with incomes of $25,000 or more showed the greatest decline from August, 11.7 Index points.

** Respondents more frequently reported that they were worse off financially in September than a year ago (38 percent) compared with August (33 percent). Improvements in their personal financial situation, however, were expected by 31 percent of all families, while only 18 percent expected a worsened situation in the year ahead.

** Interest rates were expected to decline in the year ahead by 30 percent of all respondents in September 1981, up from 26 percent in August; interest rate increases were expected less frequently in September (33 percent) than in August (37 percent), or September 1980 (53 percent).

** Attitudes toward the housing market reached a new all-time record low in the September 1981 survey. Attitudes toward buying conditions for durables and autos were also significantly less favorable than one month and one year earlier levels. High interest rates and tight credit conditions were mentioned by a record number of respondents in connection with both the housing and auto markets in September. The number of respondents that mentioned that higher prices made buying conditions unfavorable in the durable, housing and auto markets increased in September over August 1981.

* * *

The September 1981 survey indicates that consumer attitudes and expectations have followed a divergent course during the past year. Lowered price expectations, a more optimistic outlook for the economy as a whole, and increased confidence in government economic policy stand in sharp contrast to widespread unfavorable buying attitudes, due to heightened concerns about high interest rates.

Growth in consumer sales during the balance of 1981 and early 1982 will continue to be slow and uneven. Sustained reductions in interest rates, as well as sustained increases in real disposable income are needed before large discretionary consumer purchases show robust growth. Savings rates can be expected to increase, both because of additions to financial savings and reserves, as well as because of increased debt repayments compared with debt incurrences.

Personal Finances

In general, consumers evaluations of their personal financial situation were somewhat less favorable in September 1981 than one month earlier. However, consumer evaluations of both their current and expected financial situation in September 1981 were comparable to year-earlier readings, reversing the declines recorded in late 1980 and early 1981. In September 1981, families more frequently reported that they were worse off financially than a year ago (38 percent) than better off financially (32 percent), but, importantly, families more frequently expected an improved financial situation (31 percent) than a worsened situation in the year ahead (18 percent). In explaining how their financial situation had changed during the past year, fewer families in September 1981 mentioned that they had received income increases than one year earlier (26 percent, down from 33 percent), and fewer families mentioned income declines (13 percent, down from 18 percent). Offsetting trends were also indicated by income expectations. In September 1981, 29 percent of all families expected their nominal income to increase by 10% or more during the year ahead, up from 26 percent in September 1980, while the proportion of families that expected their income to remain unchanged or decline rose to 39 percent in September 1981, from 31 percent a year earlier.

Business Conditions

After recording rapid improvement in evaluations of current business conditions in the second half of 1980 and early 1981 (when the proportion that reported business conditions had worsened fell from 90 to just under 50 percent), this pace of improvement has greatly slowed in recent months. From May to September 1981, the proportion that reported worsened business conditions stayed in the range of 47 to 57 percent, while the proportion that reported improved business conditions ranged from 28 to 33 percent. This same pattern of rapid improvement followed by an extended holding period at improved levels is even more evident in terms of expected changes in business conditions. From April to September 1980, the proportion that expected improved business conditions more than doubled, rising from 14 to 32 percent, but still stood at 32 percent in the September 1981 survey. This maintenance at greatly improved levels has been due to the maintenance of favorable expectations for government economic policies. In each monthly survey since the November election, at least one-in-five respondents spontaneously referred to the Reagan administration and federal economic policies. In September 1981, 24 percent made reference to these factors, down from 29 percent in August. Business expectations thus appear to be in a suspended state, awaiting either confirmation or a downward revision.

Confidence in government policy to combat inflation and unemployment remained at much improved levels in the September 1981 survey. Among all families, 31 percent favorably rated government economic policy, unchanged from August, but greatly above the 10 percent recorded in September 1980. Following a pattern similar to trends in business evaluations, confidence in government economic policy rose from 10 to 28 percent during the first four months of 1981, but in the five months from May to September 1981, it has remained in the range of 25 to 31 percent.

In the September 1981 survey, evaluations of short term business conditions were somewhat less favorable than one month earlier readings, while consumer evaluations of long term business prospects improved somewhat. Among all families, 33 percent expected good times in the economy as a whole during the next 12 months, down from 40 percent in August 1981, and below the 35 percent recorded in September 1980. Favorable long term business expectations were held by 30 percent of all families in September 1981, up from 28 percent in August, and 25 percent in September 1980. With regard to both the short and long term business outlook, the majority of respondents continue to view these prospects as unfavorable.

Fewer families expected unemployment to decline in the year ahead in the September 1981 survey (15 percent) than in September 1980 (22 percent), and approximately the same proportions expected further increases in unemployment in September 1981 (39 percent) as in September 1980 (40 percent). The shift in expectations during the past year has been toward the view that unemployment will remain at the same high current levels, increasing from 36 to 45 percent.

Interest rate expectations were somewhat more favorable in September 1981 than either one-month or one-year earlier. Among all families, 33 percent expected interest rates to increase during the year ahead, below the 37 percent recorded in August, and 53 percent in September 1980. Declines in interest rates were expected by 30 percent in September 1981, up from 26 percent in August and 18 percent in September 1980.

Consumer reports of current price increases improved considerably during late 1980 and early 1981, falling from a peak of 17.4% in April 1980 to

10.8% in July 1981, but since then reports of inflation rates rose to 11 2% in August and 12.2% in September 1981. Similarly, expected future rates of inflation, although below year earlier readings, increased in the September 1981 survey. Among all families, the average expected rate of inflation was 7.5% in the September survey, up from 6.5% in August, but below the 8.5% recorded one year earlier. Importantly, an increase in price uncertainty was indicated by the greater dispersion of expectations: in the September 1981 survey, 30 percent of all families expected inflation to average 10% or more, while an additional 30 percent expected prices to remain the same or decline. The variance in price expectations, adjusted for differences in the mean level, showed much greater dispersion in September 1981 than a year earlier.

Buying Conditions

Attitudes toward buying conditions for durables, vehicles, and houses were significantly less favorable in the September 1981 survey than one month earlier. Favorable buying attitudes toward large household durables fell from 55 to 44 percent, favorable attitudes toward the car market fell from 43 to 34 percent, and favorable attitudes toward the housing market fell from 21 to 15 percent.

Attitudes toward the housing market in the September 1981 survey reached a new all-time record low, below the low levels recorded first in early 1980, and then again in early 1981. In September 1981, just 15 percent of all families viewed buying conditions for houses as favorable, below the 18 percent recorded in May 1980 and January 1981. Five times as many respondents thought it was a bad rather than a good time to buy a house (76 versus 15 percent). When asked to explain their views, an all-time record level of 80 percent spontaneously mentioned high interest rates and tight credit conditions in rating buying conditions as unfavorable. In contrast to prior years, very few respondents thought of buying in advance of future price increases (7 percent), and fewer referred to housing as a good investment (4 percent).

Attitudes toward the car market were more unfavorable in the September survey by a wider margin than either one month or one year earlier. Among all families, unfavorable exceeded favorable attitudes by a margin of 56 to 34 percent in the September survey, in comparison with the much narrower margins of 47 to 43 percent recorded in August 1981, and 44 to 42 percent recorded in September 1980. On the one hand, when asked to explain their views of the auto market, fewer respondents mentioned price discounts or rebates in September, and fewer mentioned buying in advance of new model price increases; on the other hand, unfavorable references to high prices rose to 30 percent in September 1981, from 26 percent one month earlier. In addition to the shifting influence of price trends, unfavorable references to high interest rates and tight credit conditions have had an important impact on attitudes toward the automobile market. In the September 1981 survey, an all-time record proportion of 31 percent spontaneously referred to high interest rates when asked why they thought buying conditions for automobiles were unfavorable, up from 26 percent in August 1981, and 10 percent in September 1980.

It should be carefully noted that monthly changes in attitudes toward auto market conditions have traced a sideways zig-zag path during the past year or so. When the monthly data are aggregated into quarterly totals, favorable attitudes toward the automobile market remained at nearly unchanged levels throughout the past year. From the third quarter of 1980 to the third quarter of 1981, the proportion that held favorable car buying attitudes in each quarter remained in the narrow range of 38 to 40 percent, and the proportion that held unfavorable attitudes ranged from 47 to 52 percent. Consequently, the September 1981 survey alone yields inadequate evidence of a renewed downturn in auto market attitudes, but rather indicates that heightened concerns with high interest rates and high prices continue to act to postpone sales.

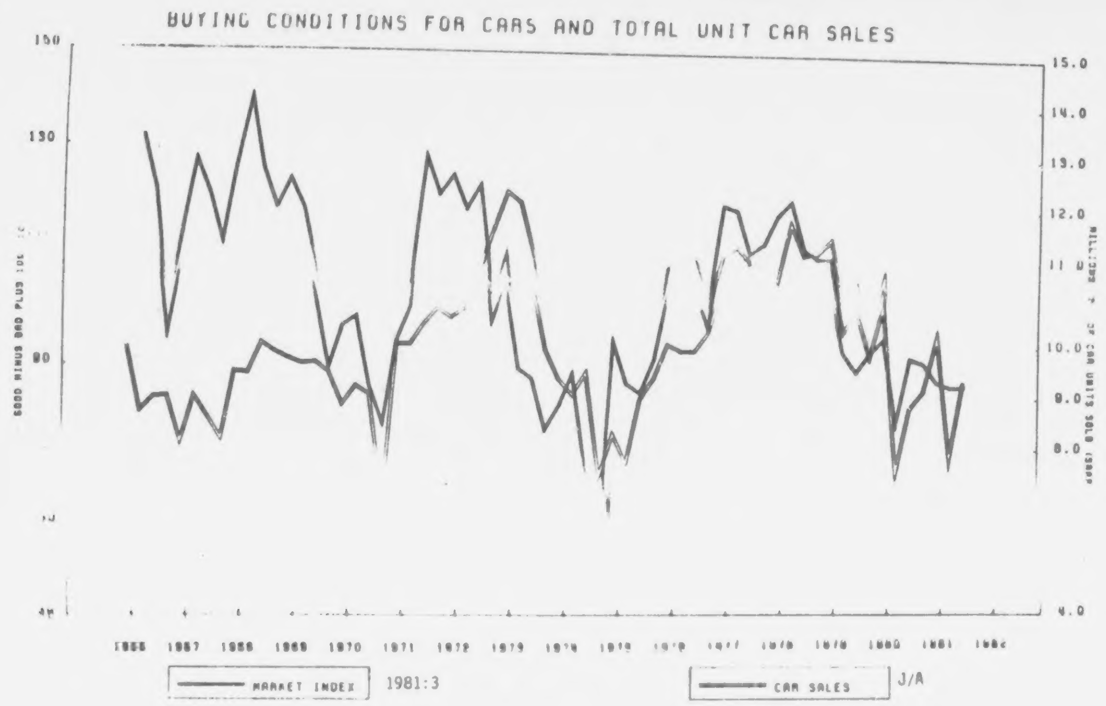
Summary Outlook

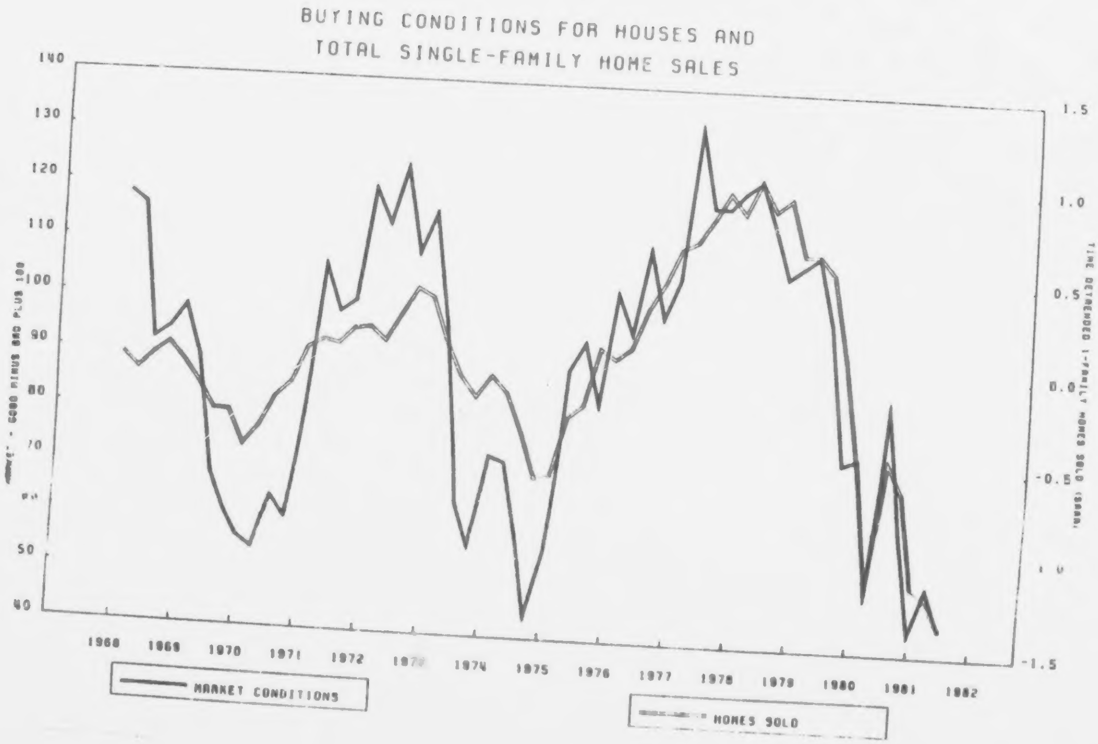
The September 1981 survey indicates that consumer attitudes and expectations have followed a divergent course during the past year. Lowered price expectations, a more optimistic outlook for the economy as a whole, and increased confidence in government economic policy stand in sharp contrast to widespread unfavorable buying attitudes, due to heightened concerns about high interest rates.

Growth in consumer sales during the balance of 1981 and early 1982 will continue to be slow and uneven. Sustained reductions in interest rates, as well as sustained increases in real disposable income are needed before large discretionary consumer purchases show robust growth. Savings rates can be expected to increase, both because of additions to financial savings and reserves, as well as because of increased debt repayments compared with debt incurrences.

* * *

The September 1981 survey contained 681 interviews, conducted between August 24 and September 20, 1981.


BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES
GOOD MINUS BAD PLUS 100
150
130
90
MILLIONS OF CAR UNITS SOLD (SAAR)
15.0
14.0
13.0
12.0
11.0
10.0
9.0
8.0
4.0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
MARKET INDEX
1981:3
CAR SALES
J/A


BUYING CONDITIONS FOR HOUSES AND
TOTAL SINGLE-FAMILY HOME SALES
GOOD MINUS BAD PLUS 100
140
130
120
110
100
90
80
70
50
40
TIME DETRENDED 1-FAMILY HOMES SOLD (SAAR)
1.5
1.0
0.5
0.0
-0.5
-1.5
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
MARKET CONDITIONS
HOMES SOLD

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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

OCTOBER 1981

The October 1981 survey is the 157th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
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17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
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33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

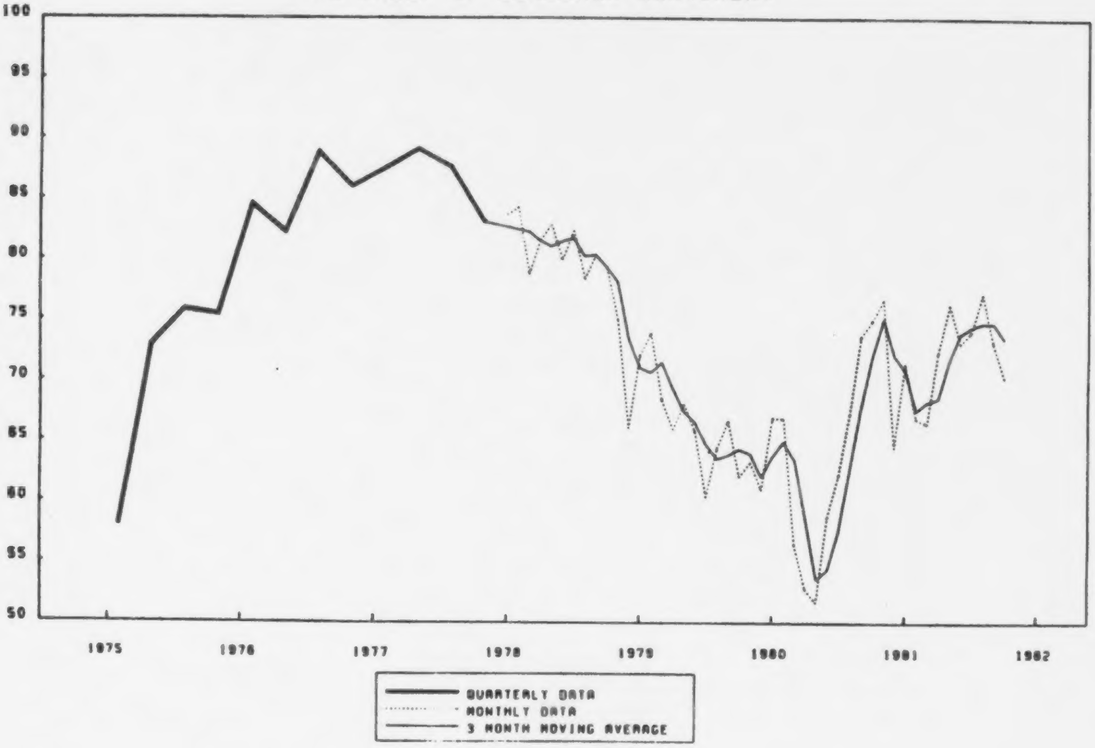

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

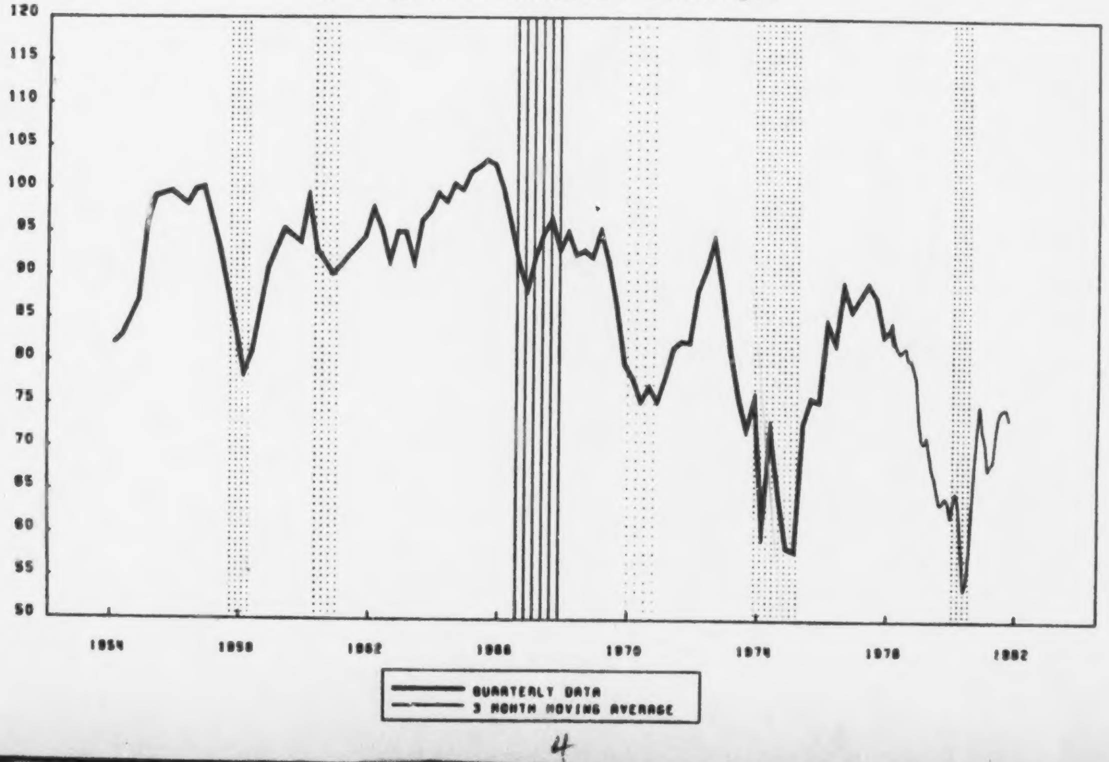

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	78.1	78.5
October	1980	75.0	76.3	78.7
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0
June	1981	73.1	81.2	82.9
July	1981	74.1	80.8	82.1
August	1981	77.2	82.7	85.0
September	1981	73.1	75.2	73.3
October	1981	70.3	74.5	77.9

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

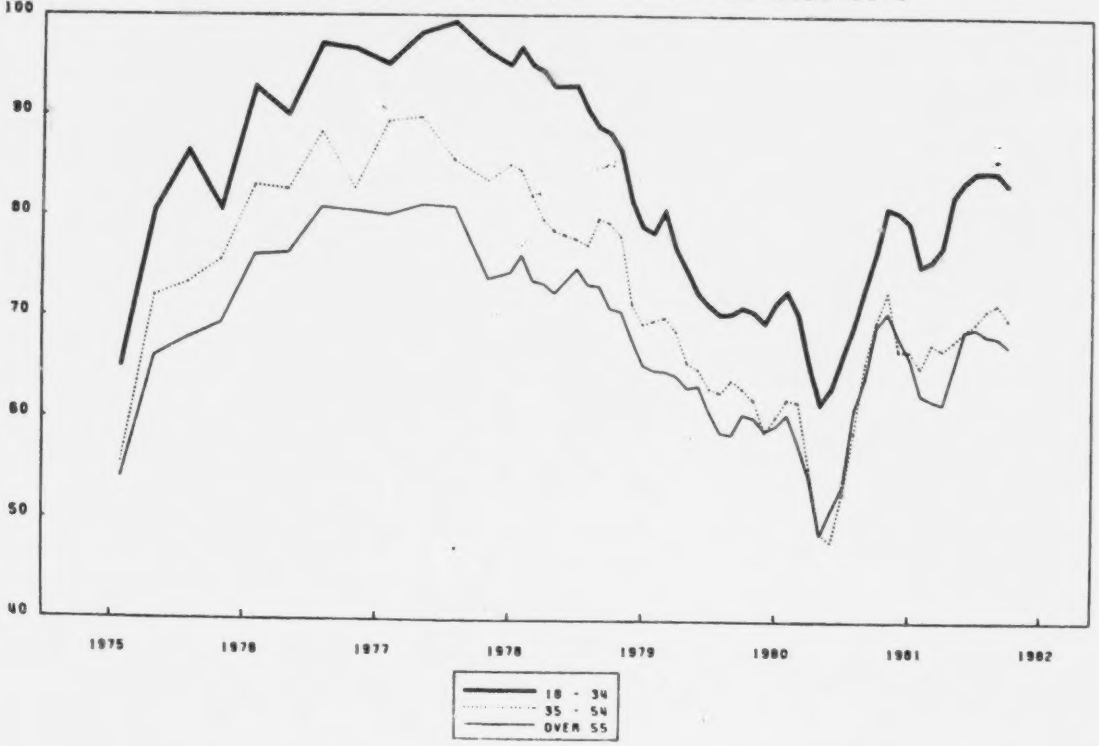

CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

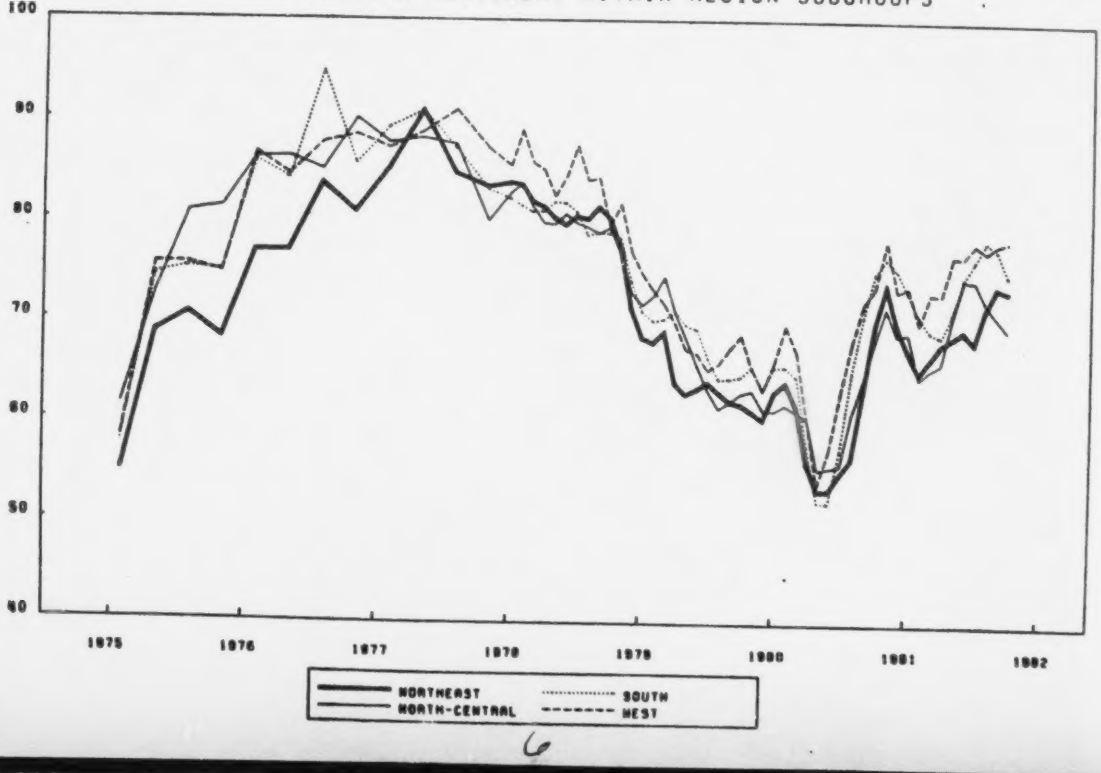

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July	1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August	1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September	1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2
October	1981	67.9	68.2	68.9	79.0	80.7	65.9	64.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

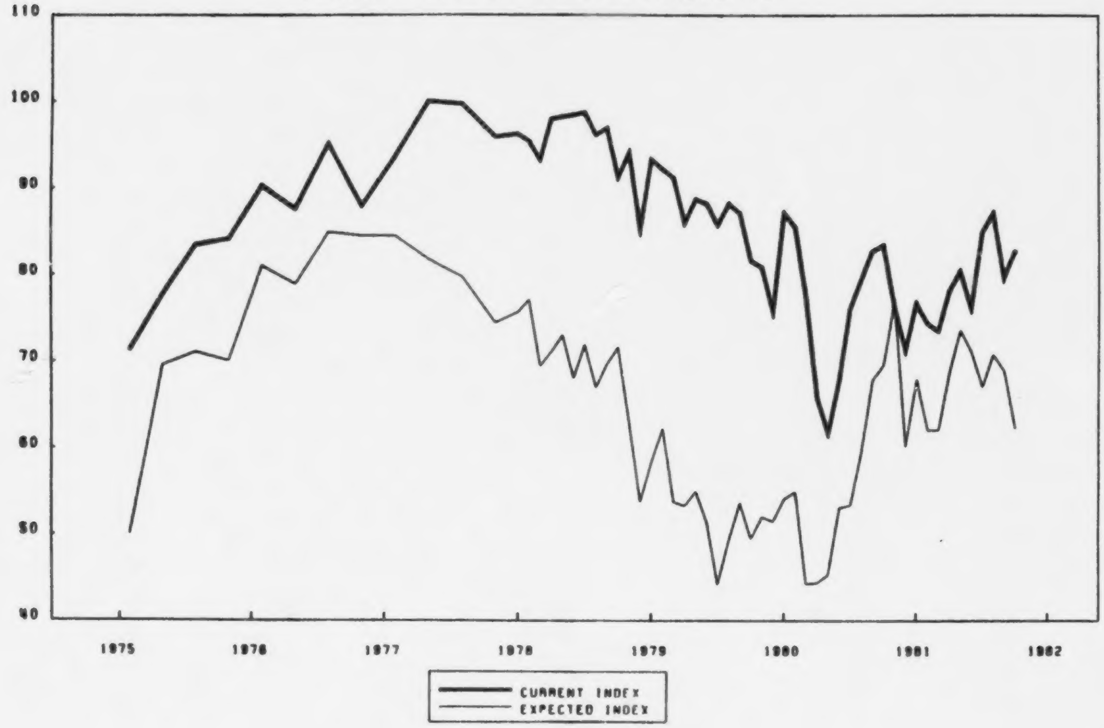

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

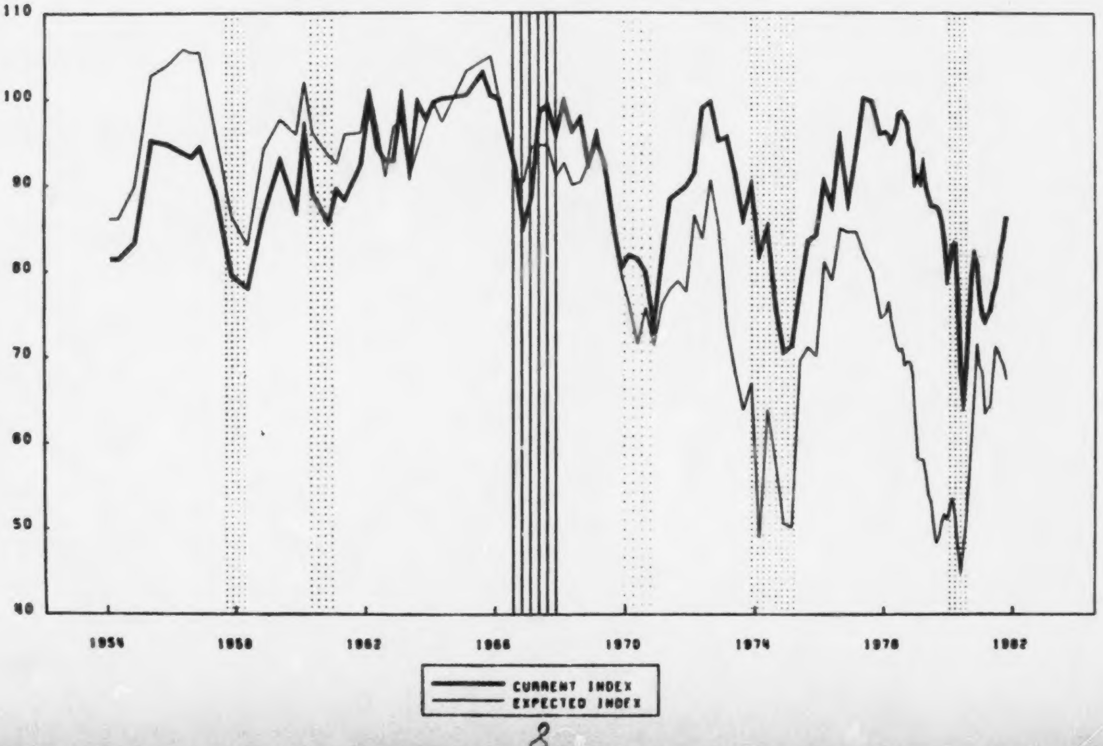

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0
October 1981	95	110	68	67	117	82.7	62.3

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

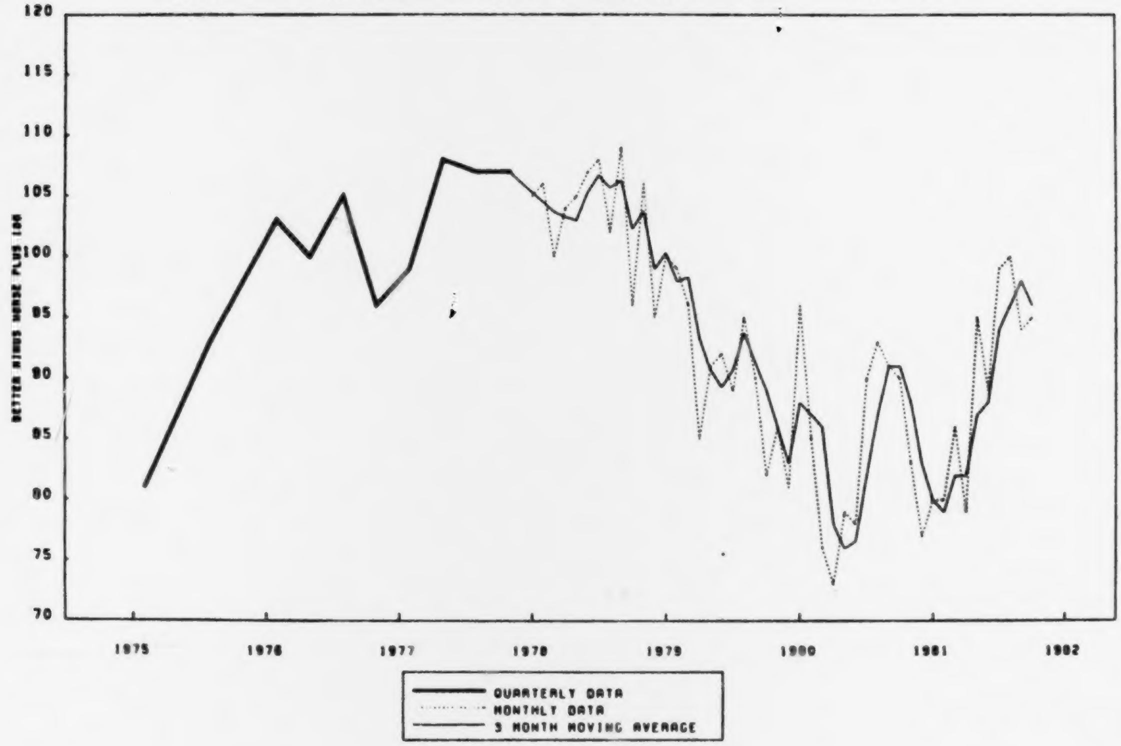

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

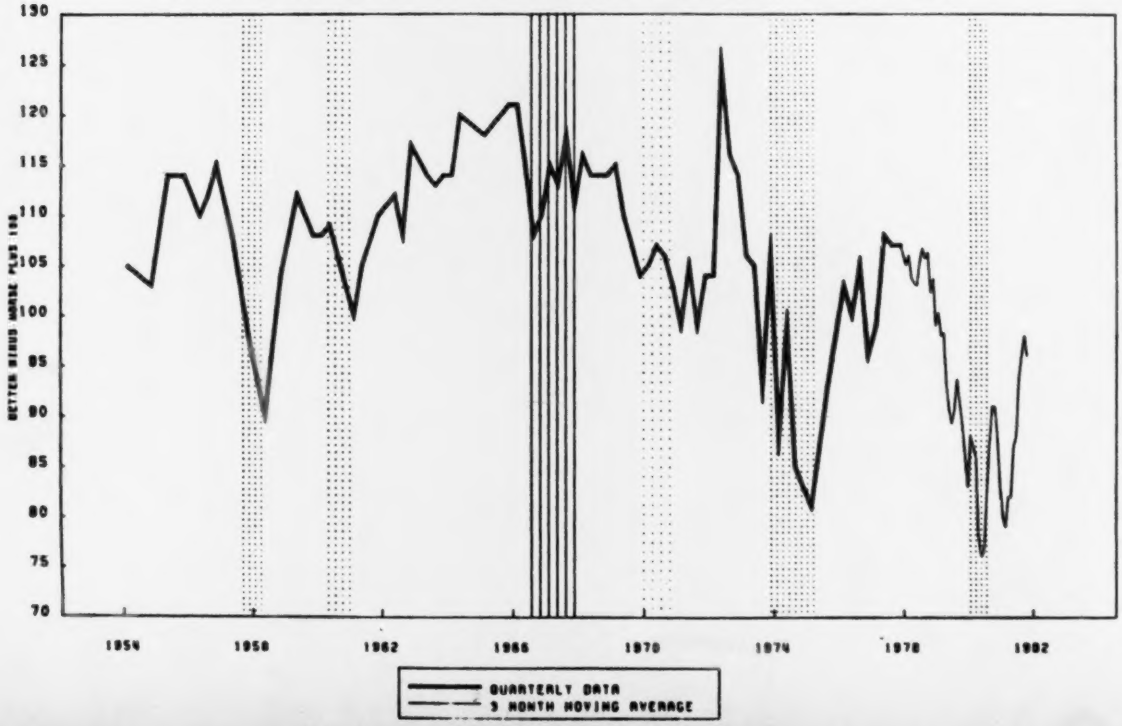

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
BETTER OFF	30%	28%	25%	25%	27%	29%	25%	31%	29%	34%	33%	32%	31%
SAME	30	26	26	30	26	28	28	32	31	30	33	29	32
WORSE OFF	40	45	48	45	47	43	46	36	40	35	33	38	36
DK,NA	*	1	1	*	*	*	1	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

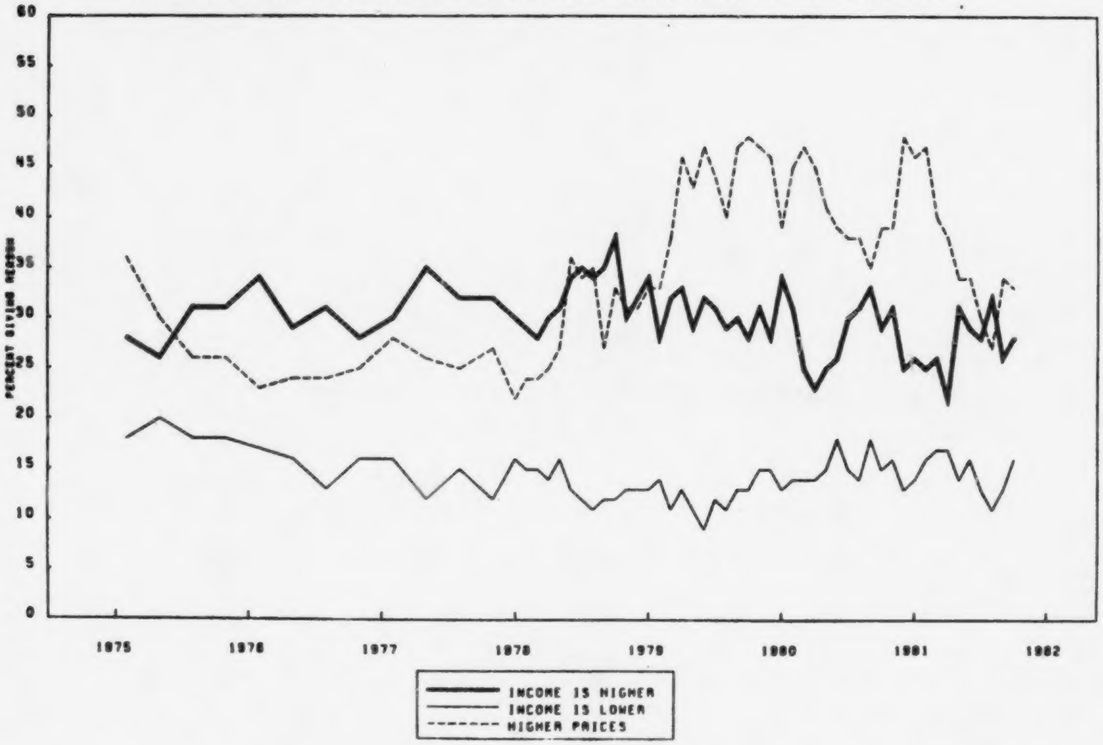

CHART 5 - HISTORICAL SERIES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

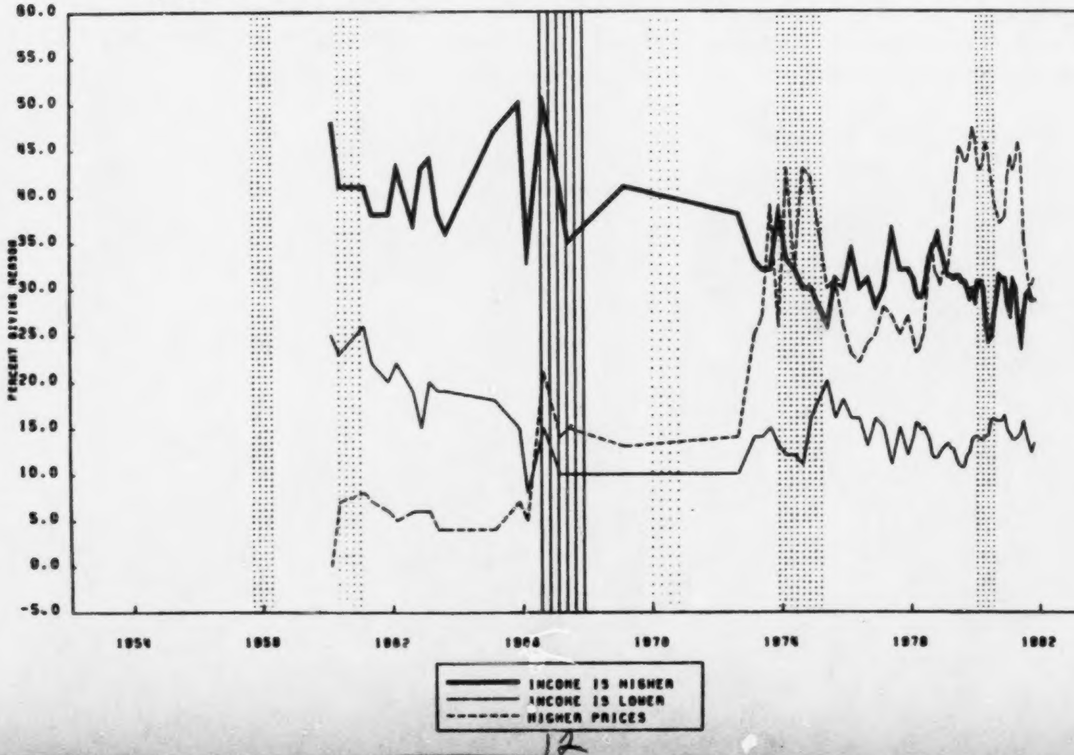

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	31%	25%	26%	25%	26%	22%	31%	29%	28%	32%	26%	28%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	16	13	14	16	17	17	14	16	13	11	13	16
Higher prices	39	39	48	46	47	40	38	34	34	30	27	34	33

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

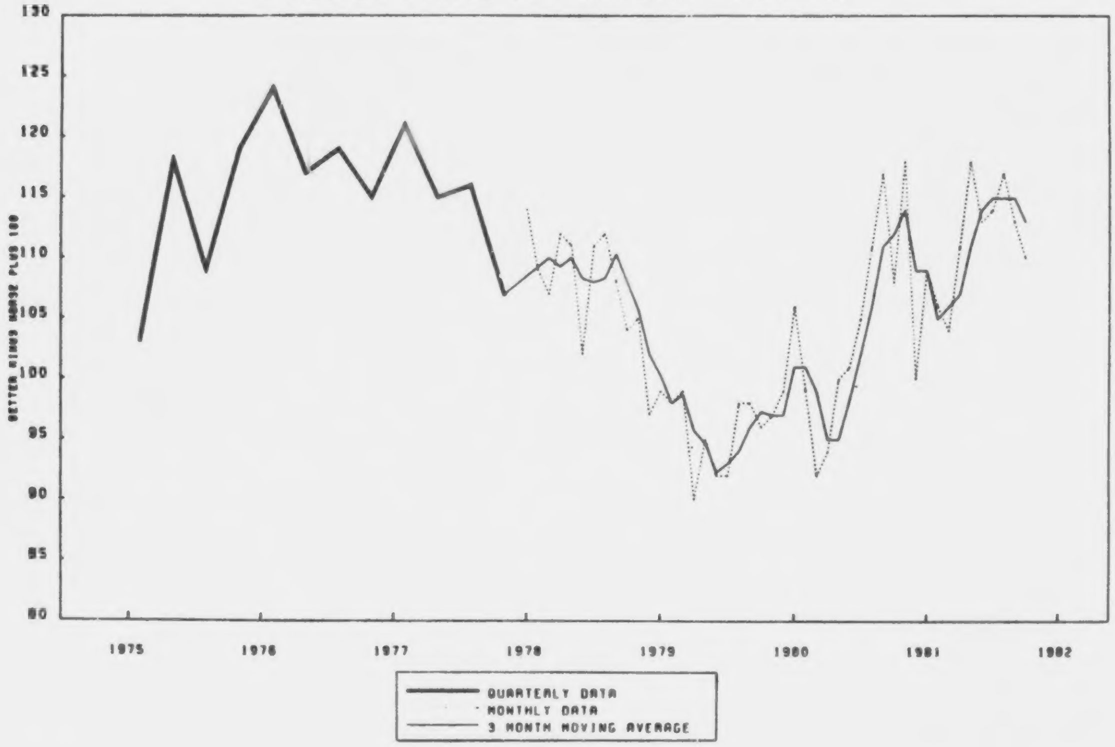

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

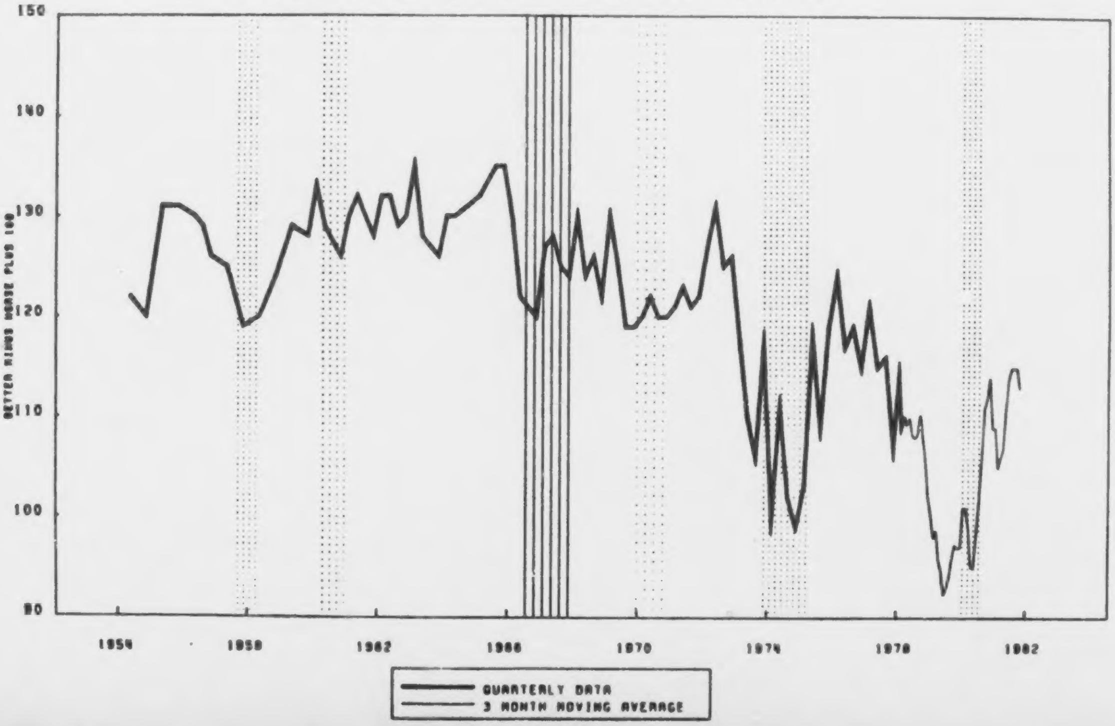

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
BETTER OFF	25%	35%	25%	27%	26%	28%	30%	34%	32%	29%	34%	31%	29%
SAME	50	42	45	48	48	45	47	48	44	52	46	45	49
WORSE OFF	17	17	25	18	20	24	19	16	19	15	17	18	19
DK,NA	8	6	5	7	6	3	4	2	5	4	3	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

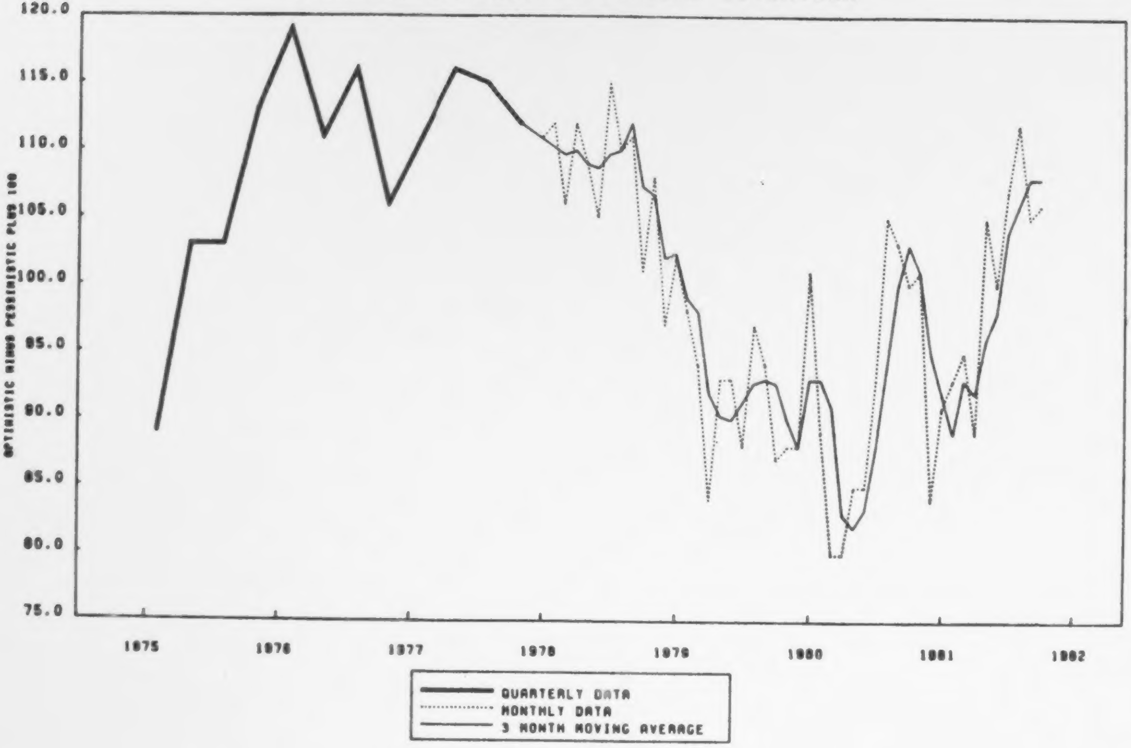

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

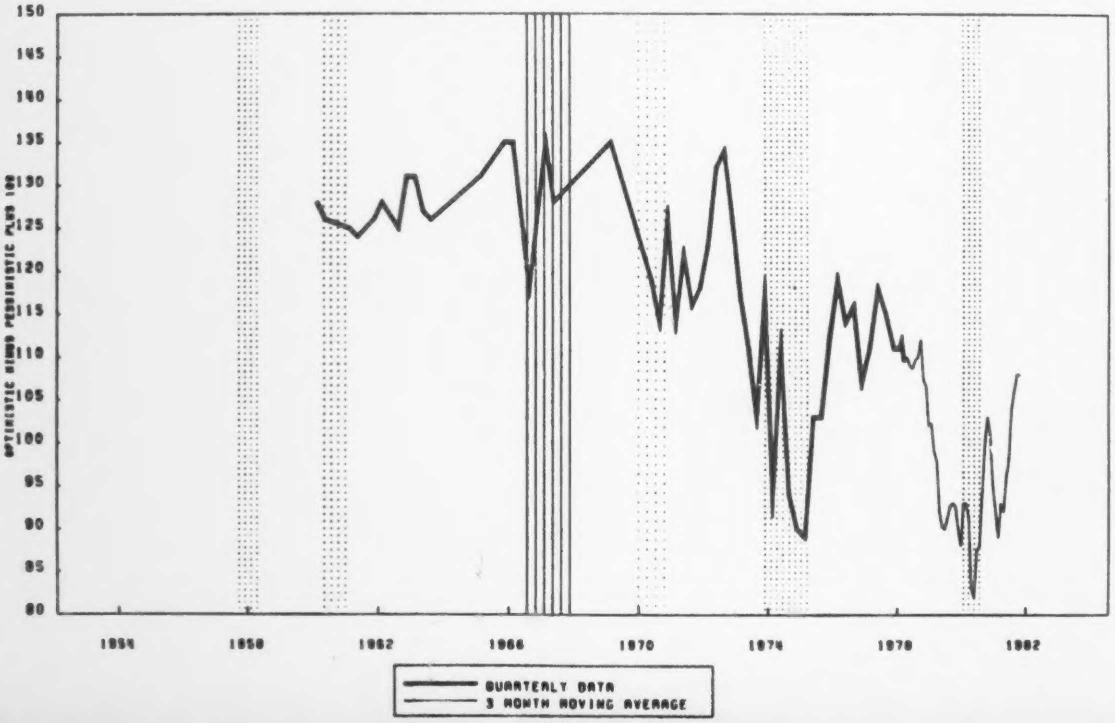

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	13%	9%	10%	8%	12%	11%	15%	13%	15%	14%	16%	13%
Intermittant increase (b)	20	19	18	17	20	19	16	23	22	22	25	19	21
Remain unchanged (c)	18	13	12	16	15	15	14	15	14	19	18	17	21
Intermittant decline (d)	21	22	28	25	23	22	27	25	24	21	18	19	15
Continuous decline (e)	11	9	15	11	12	14	11	8	11	9	9	11	13
Mixed change (f)	10	18	13	14	16	14	15	12	11	9	12	12	14
DK,NA	8	6	5	7	6	4	6	2	5	5	4	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

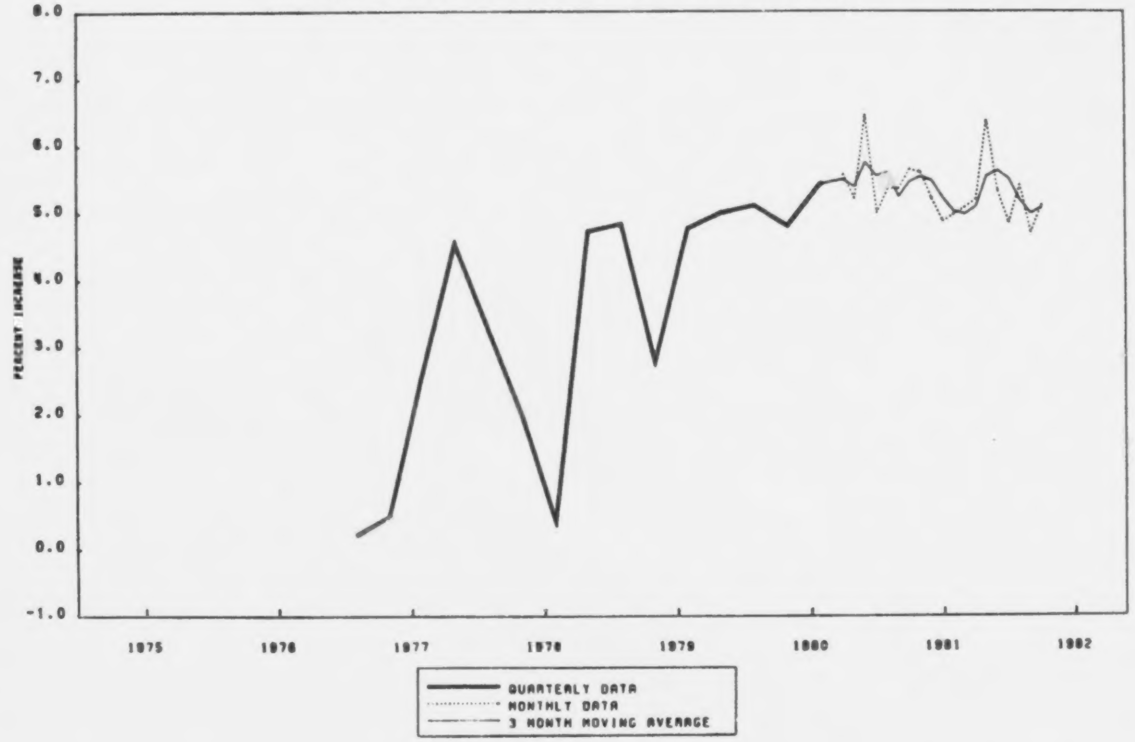

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
EXPECT INCREASE:													
1-4%	8%	5%	8%	6%	8%	7%	6%	6%	6%	7%	5%	6%	6%
5%	7	10	7	8	7	9	8	10	10	7	8	9	10
6-9%	15	10	12	10	10	11	11	11	10	10	9	10	13
10-24%	21	26	22	21	20	21	22	28	25	21	27	23	21
25% or more	7	7	7	6	7	7	7	8	7	10	6	6	6
DK how much up	10	8	8	9	9	9	9	7	7	5	6	6	6
EXPECT SAME	21	24	22	24	24	21	25	19	21	24	26	27	24
EXPECT DOWN	9	7	11	12	11	12	10	8	11	13	9	12	12
DK,NA	2	3	3	4	4	3	2	3	3	3	4	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

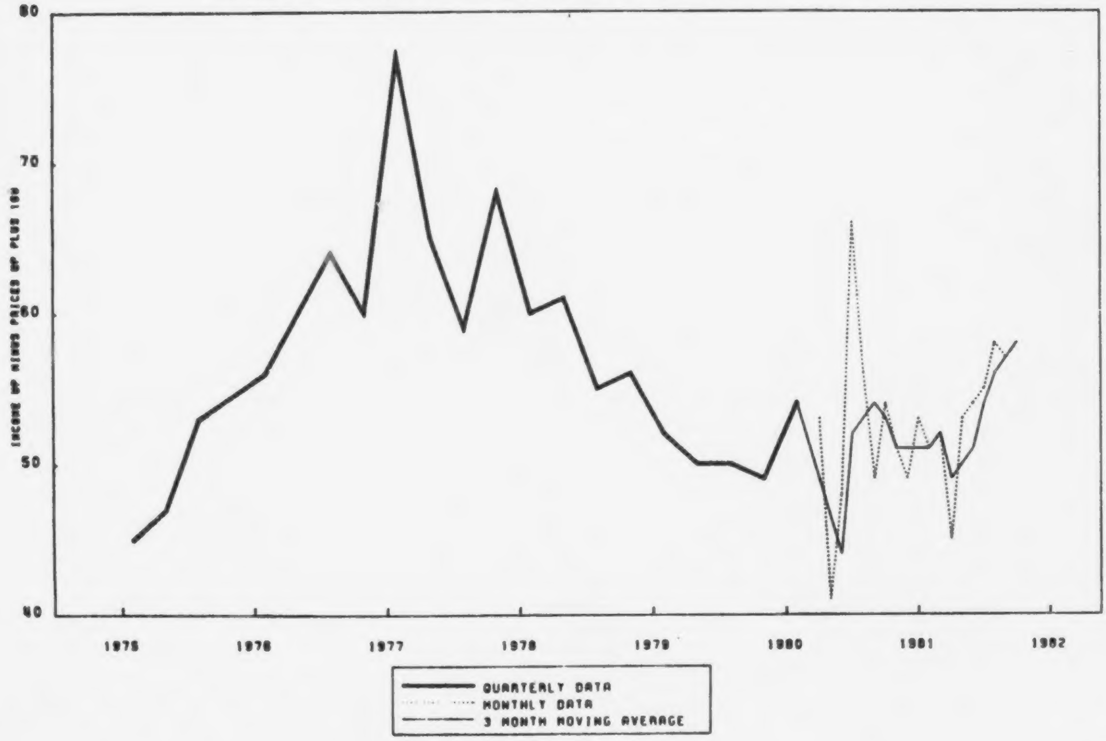

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
INCOME UP MORE	13%	10%	11%	13%	10%	13%	9%	12%	13%	13%	14%	13%	13%
INCOME UP SAME	25	30	24	25	28	24	26	28	26	25	29	31	30
PRICES UP MORE	59	59	62	60	59	61	64	59	59	58	56	56	55
DK,NA	3	1	3	2	3	2	1	1	2	4	1	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

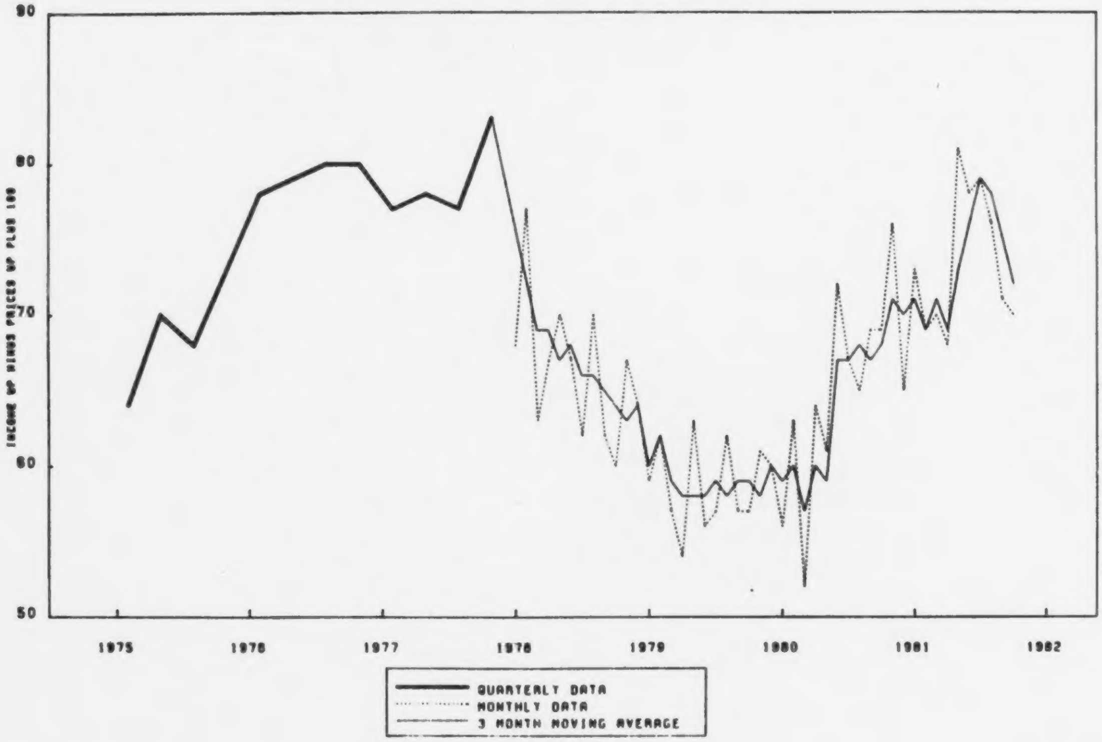

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
INCOME UP MORE	12%	16%	12%	14%	11%	14%	13%	19%	16%	17%	16%	13%	14%
INCOME UP SAME	42	42	36	39	43	38	39	41	43	41	40	42	40
PRICES UP MORE	43	40	47	41	42	44	45	38	38	38	40	42	44
DK,NA	3	2	5	6	4	4	3	2	3	4	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

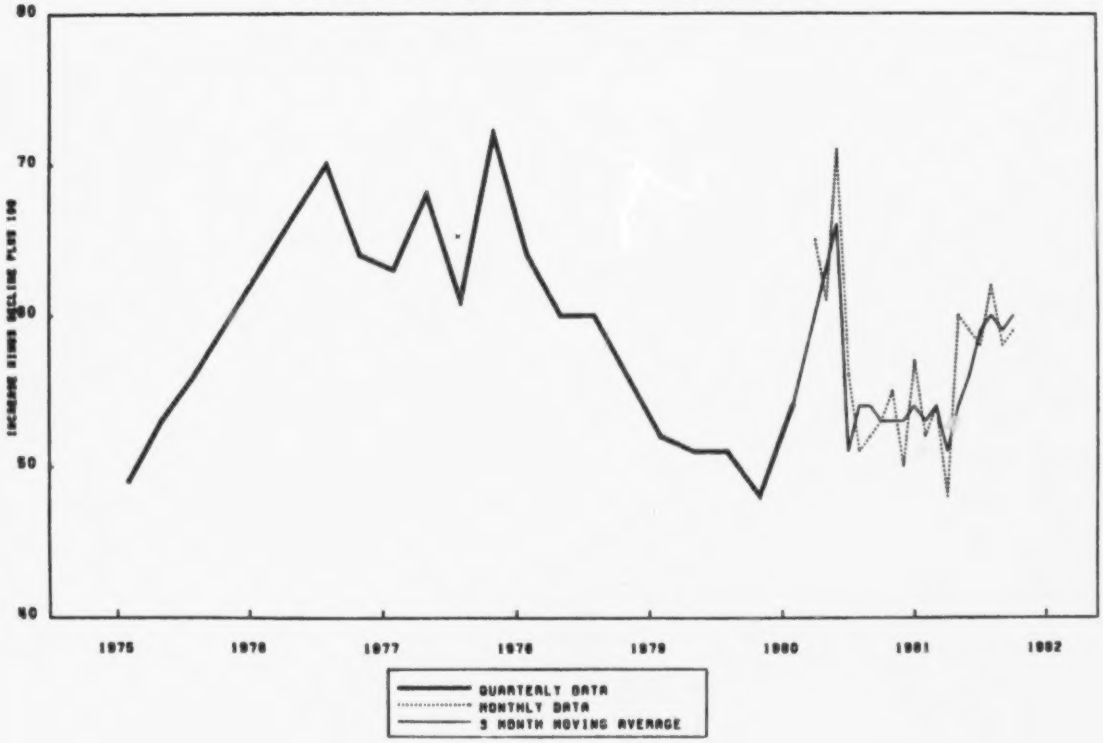

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	6%	6%	5%	6%	4%	6%	4%	6%	6%	8%	7%	5%	5%
Intermittant increase (b)	6	9	7	8	8	9	7	10	10	7	8	11	10
Remain unchanged (c)	18	17	14	17	18	14	17	16	17	16	20	19	18
Intermittant decline (d)	25	27	24	22	25	26	25	25	25	25	21	24	21
Continuous decline (e)	34	33	38	35	35	35	38	31	32	32	32	34	35
Mixed change (f)	7	5	6	6	5	5	6	9	6	7	8	4	8
DK,NA	4	3	6	6	5	5	3	3	4	5	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

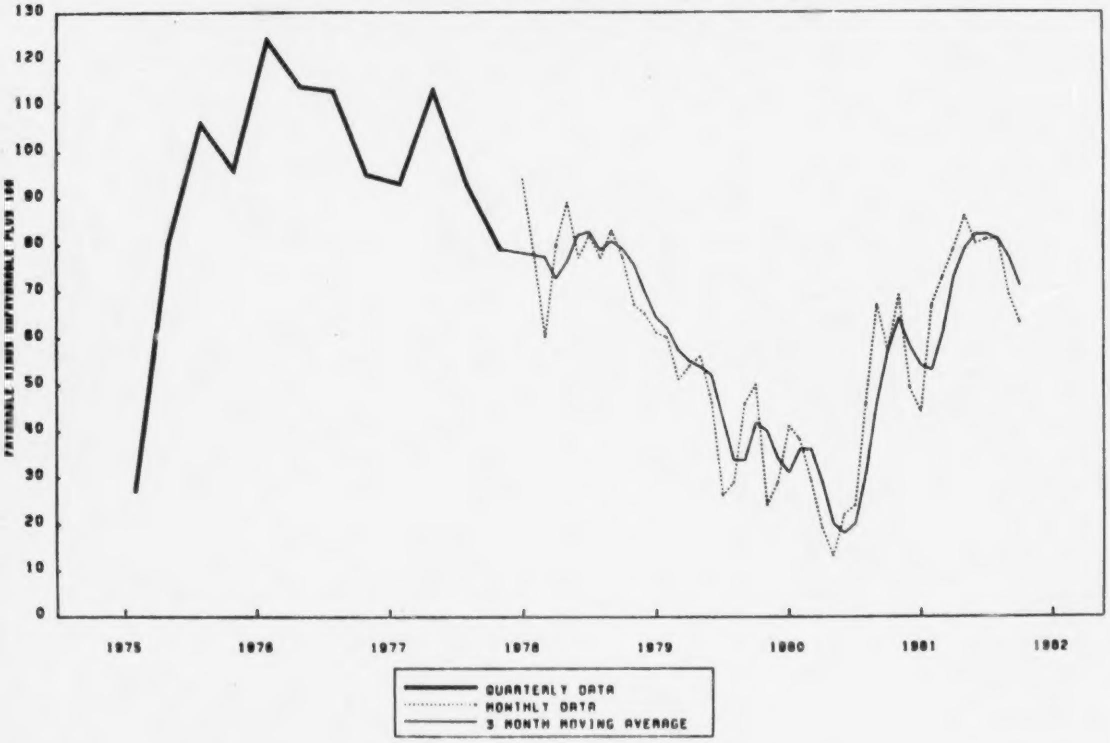

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

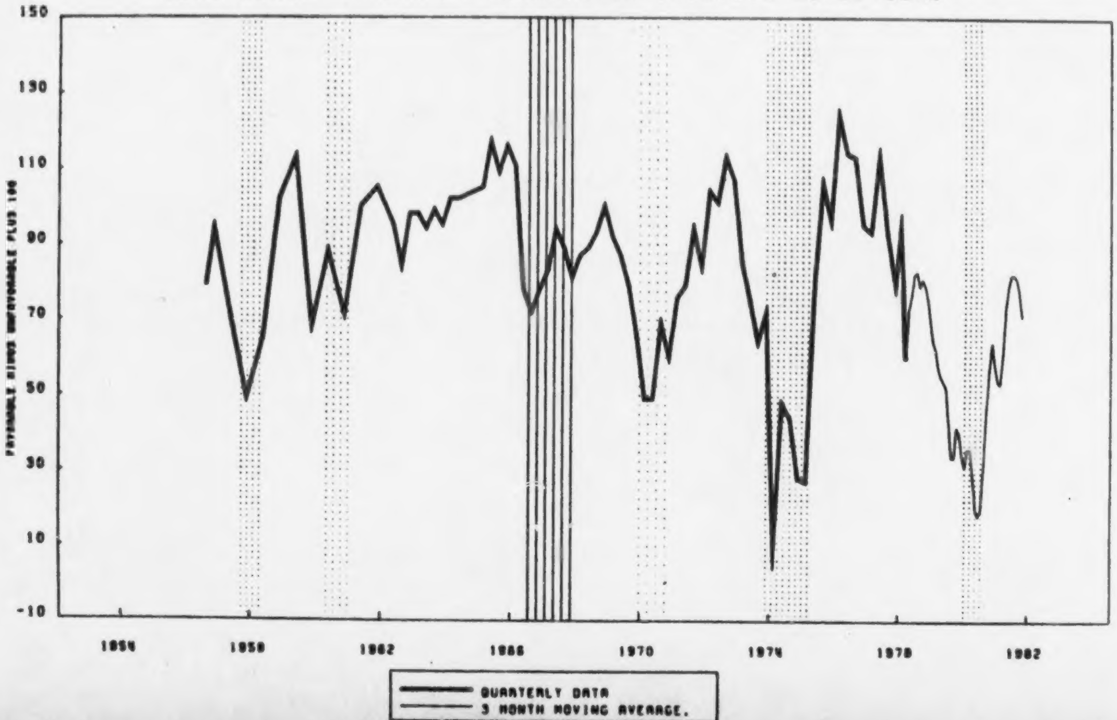

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
FAVORABLE NEWS	29%	27%	17%	19%	23%	30%	28%	31%	24%	27%	28%	24%	22%
UNFAVORABLE NEWS	72	58	68	75	56	57	49	45	44	46	47	55	59
NO MENTIONS	33	47	44	39	46	42	47	47	52	51	48	47	45

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
FAVORABLE NEWS:													
Government; elections	1%	7%	4%	4%	9%	9%	6%	4%	6%	4%	7%	8%	5%
Employment	10	7	5	4	5	8	7	8	4	7	8	6	4
Consumer demand high	3	2	1	2	1	1	3	4	1	3	2	1	1
Prices are low	2	1	*	*	1	1	2	2	3	4	2	*	1
Credit is easy	3	1	*	3	3	4	5	2	2	2	2	2	3
UNFAVORABLE NEWS:													
Government; elections	4	3	2	4	5	7	7	4	4	5	6	5	5
Unemployment	26	21	18	19	15	19	19	14	16	16	17	19	20
Consumer demand low	8	8	11	14	9	10	6	6	3	4	5	3	6
Prices are high	10	9	8	11	10	6	6	4	5	5	3	5	3
Credit is tight	12	9	19	14	7	4	4	7	9	7	7	10	10
Energy crisis	1	*	1	1	*	1	*	*	*	*	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

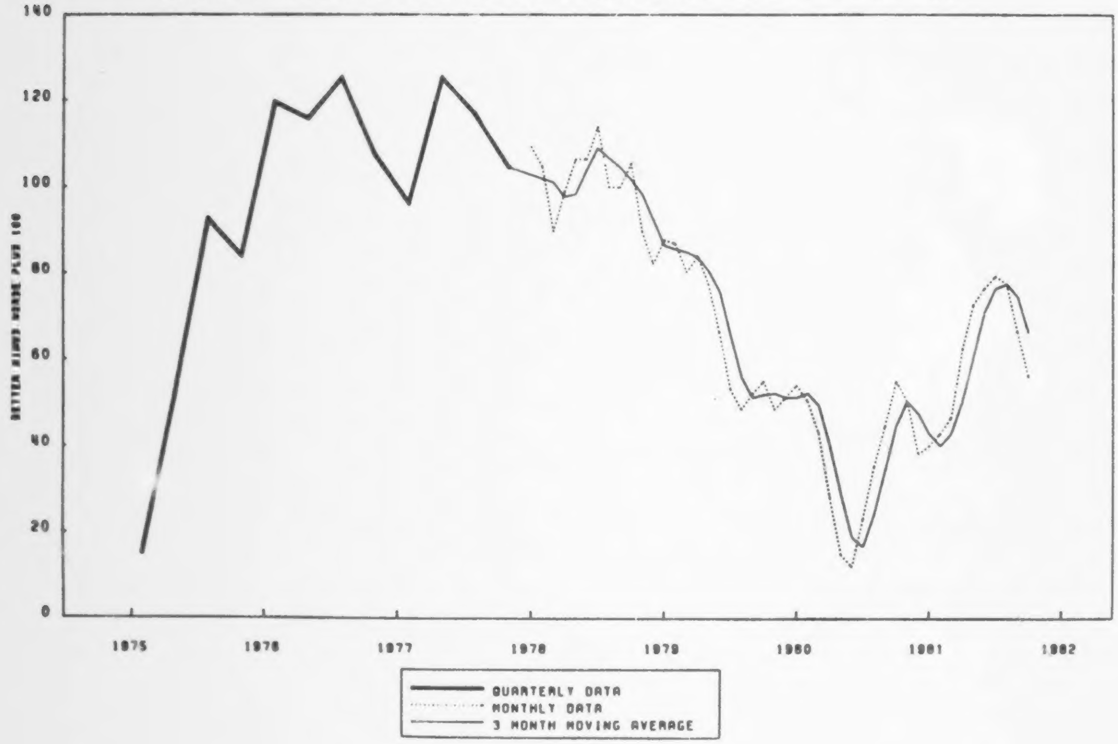

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

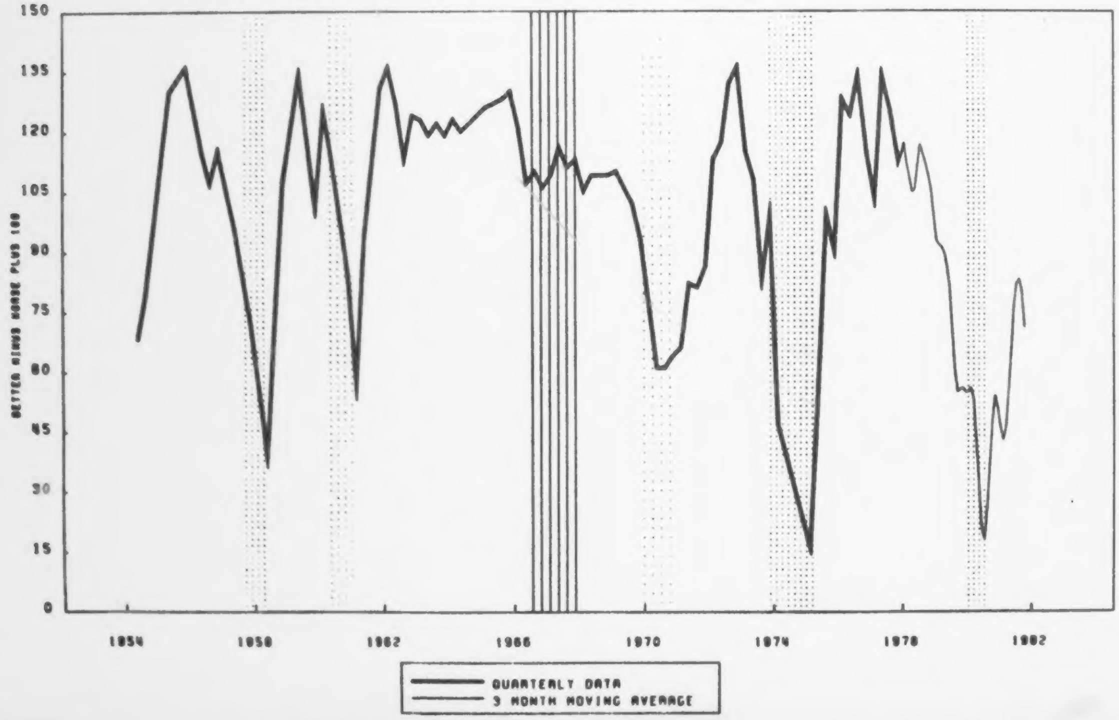

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
BETTER NOW	23%	21%	13%	14%	14%	17%	24%	30%	31%	32%	33%	28%	23%
SAME	10	10	12	13	15	14	17	17	18	18	15	12	12
WORSE NOW	64	67	72	71	68	67	57	52	49	47	50	57	63
DK,NA	3	2	3	2	3	2	2	1	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

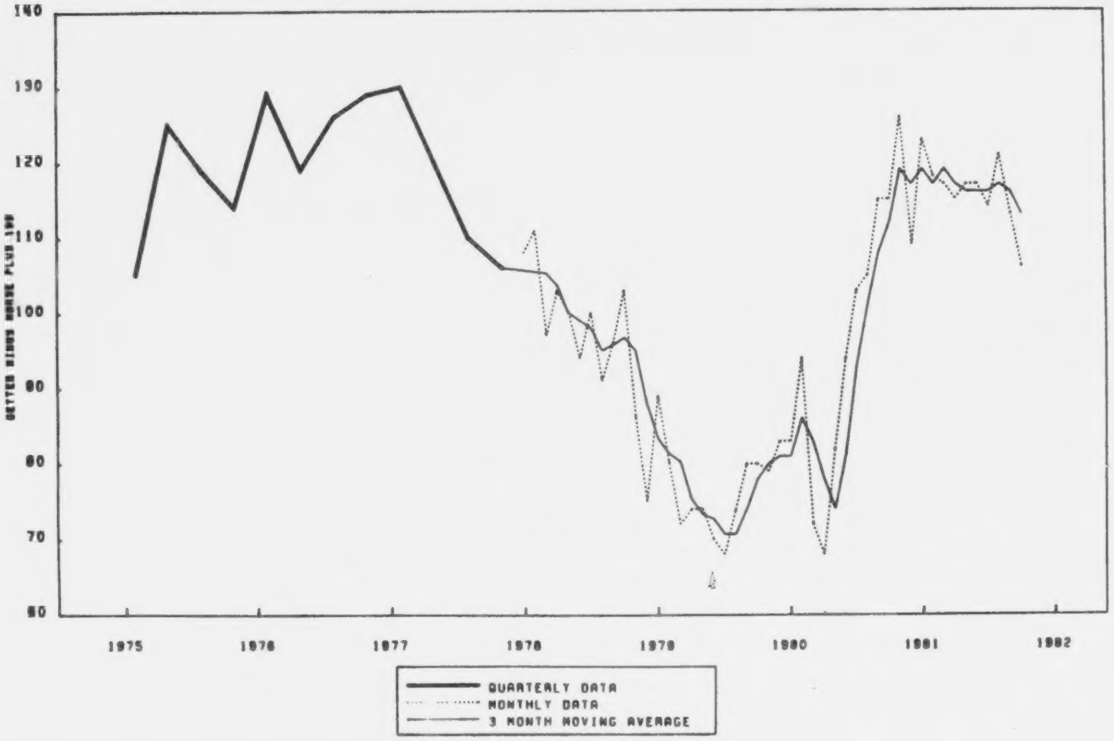

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

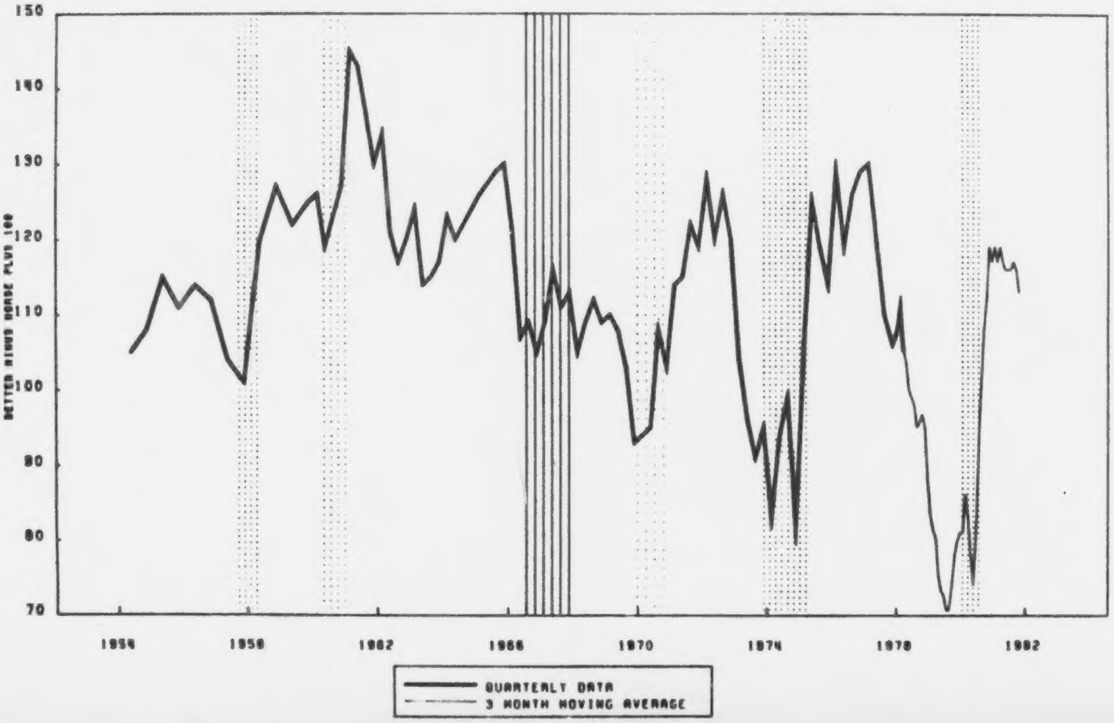

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
BETTER	33%	40%	29%	39%	34%	38%	36%	36%	36%	34%	38%	32%	31%
SAME	44	42	46	42	46	38	41	44	42	44	43	45	41
WORSE	18	14	20	16	16	21	21	19	19	20	17	19	25
DK,NA	5	4	5	3	4	3	2	1	3	2	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
FAVORABLE REASONS:													
Government; elections	16%	34%	27%	35%	32%	32%	31%	25%	25%	21%	29%	24%	19%
Employment	5	5	3	4	2	4	4	4	3	3	3	2	6
Higher consumer demand	5	3	2	2	3	2	2	2	3	2	3	4	2
Lower prices	3	2	3	2	2	3	2	3	2	4	3	2	1
Easier credit	2	3	2	4	2	2	2	3	4	3	4	4	6
UNFAVORABLE REASONS:													
Government; elections	11	7	8	7	7	9	8	8	12	11	12	11	15
Unemployment	4	5	8	7	6	6	6	5	8	9	6	7	7
Lower consumer demand	2	2	6	5	4	4	5	4	4	5	3	6	4
Higher prices	10	8	10	8	12	8	10	6	8	7	4	9	7
Tighter credit	2	2	7	4	2	2	2	3	3	5	6	8	5
Energy crisis	1	1	*	1	1	1	*	*	1	*	*	*	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

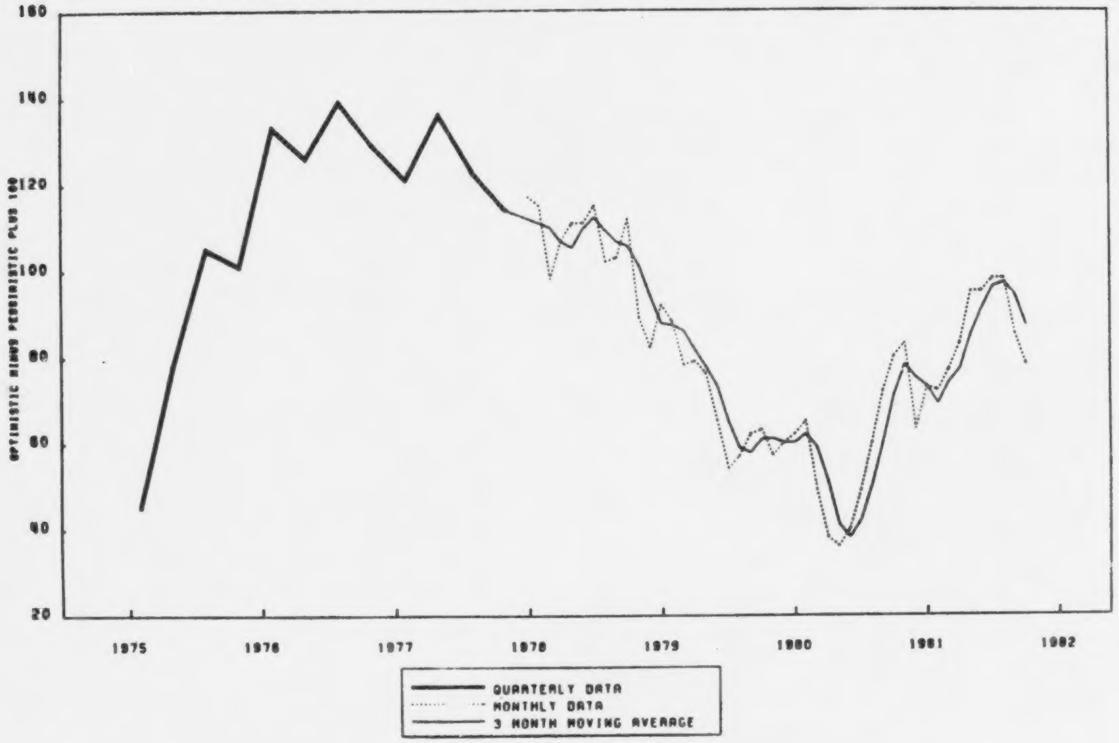

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

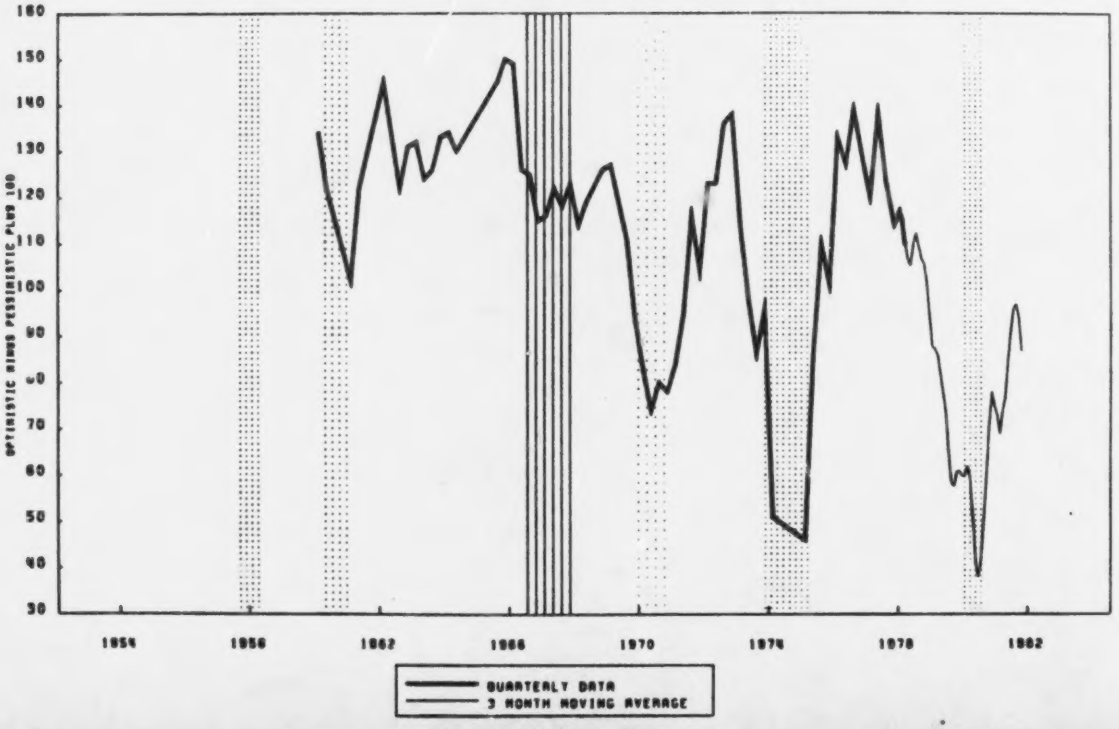

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
TREND:													
Continuous increase (a)	9%	11%	5%	6%	7%	9%	15%	14%	19%	15%	18%	14%	12%
Intermittant increase (b)	13	14	10	11	12	12	13	17	16	21	17	16	14
Remain unchanged (c)	5	4	5	7	7	6	8	10	8	8	7	6	4
Intermittant decline (d)	28	29	36	30	33	27	29	24	25	24	25	29	27
Continuous decline (e)	14	13	16	14	14	17	16	12	15	14	12	16	21
Mixed change (f)	23	24	21	27	21	25	16	20	12	13	18	14	17
DK,NA	8	5	7	5	6	4	3	3	5	5	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

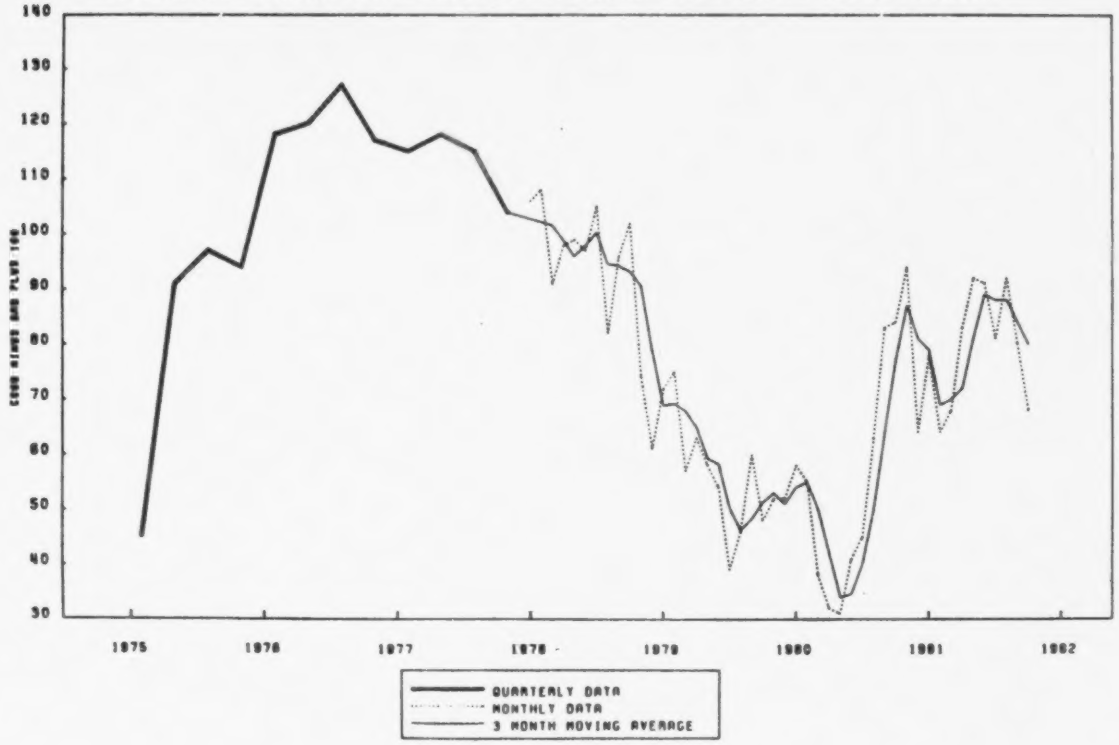

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

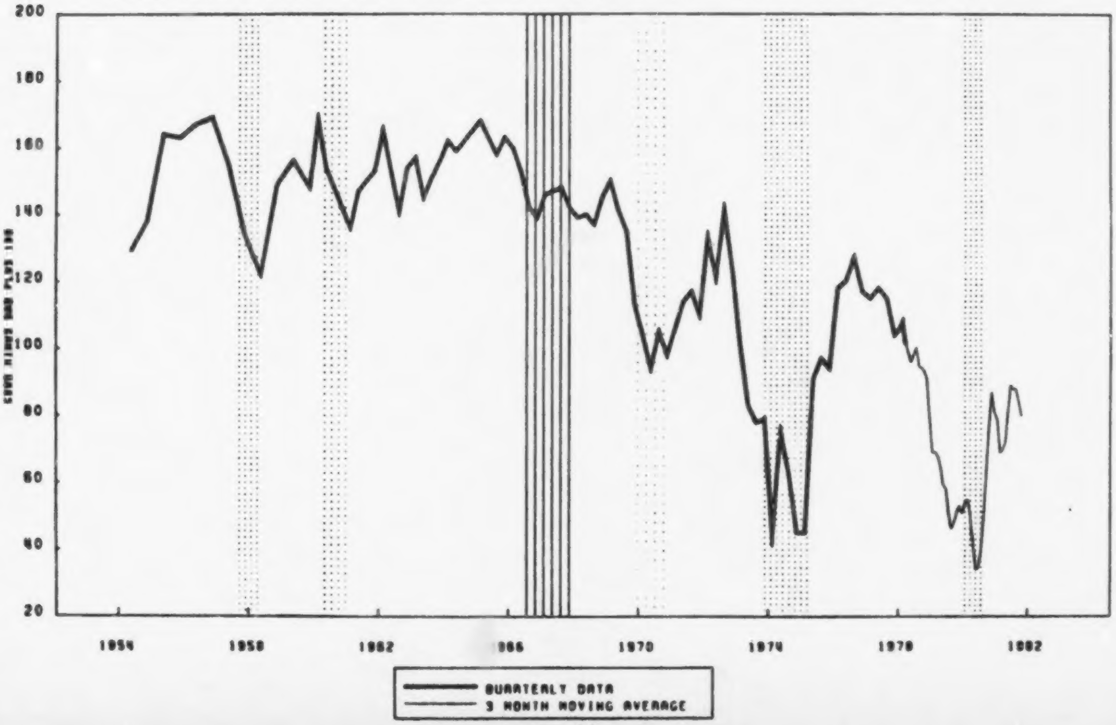

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIMES	33%	39%	26%	31%	26%	27%	36%	41%	41%	35%	40%	33%	25%
UNCERTAIN; GOOD & BAD	2	2	1	2	2	3	3	3	2	2	4	3	3
BAD TIMES	49	45	62	53	62	59	53	49	50	54	48	53	57
DON'T KNOW	8	8	7	10	6	6	6	5	5	5	5	6	8
NOT ASCERTAINED	8	6	4	4	4	5	2	2	2	4	3	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

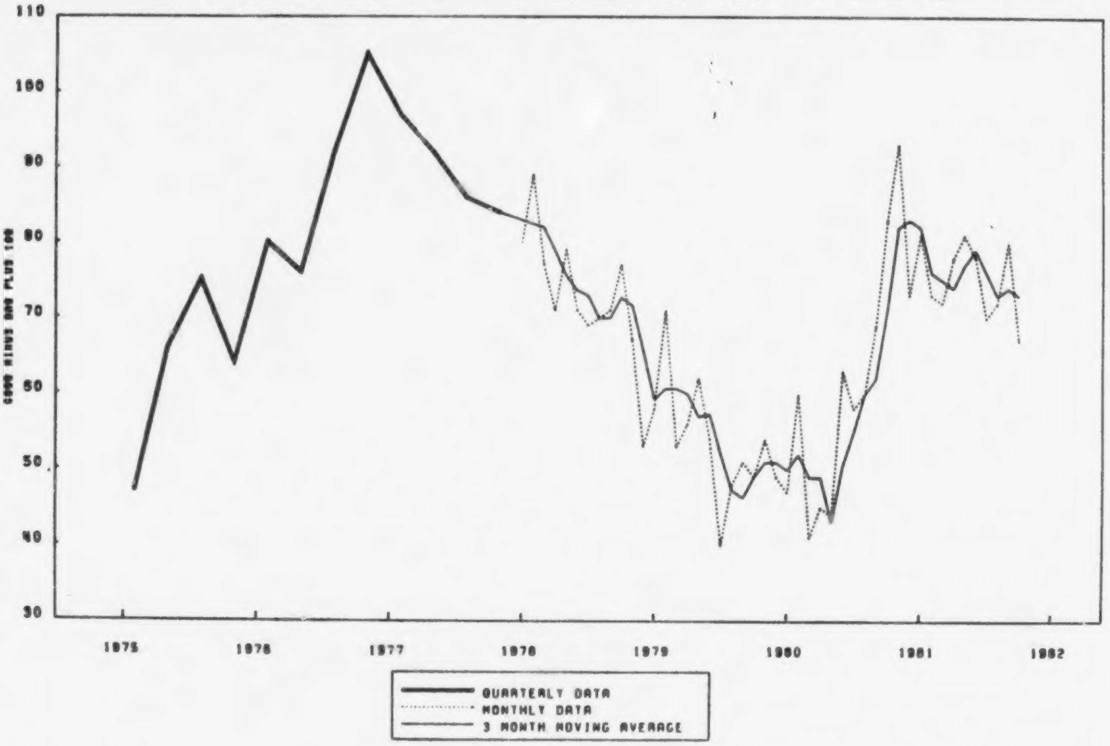

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

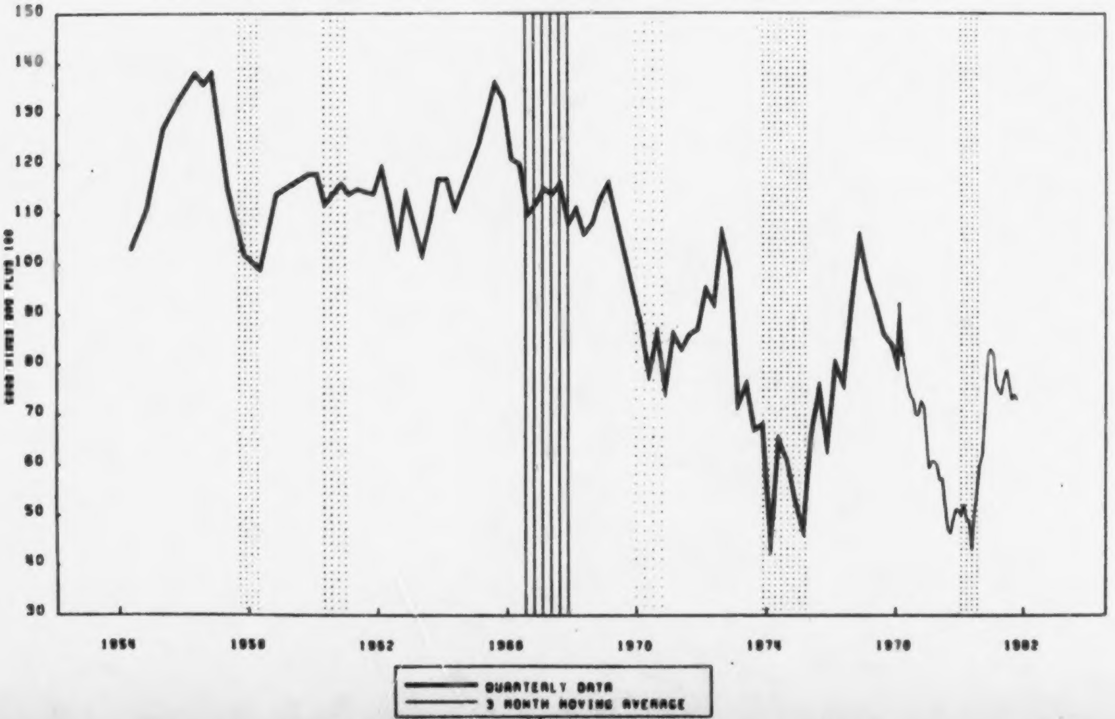

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIMES	27%	36%	25%	30%	28%	27%	30%	33%	33%	27%	28%	30%	24%
UNCERTAIN; GOOD & BAD	19	15	16	15	12	14	13	11	9	11	12	16	14
BAD TIMES	44	43	52	49	55	55	52	52	55	57	56	50	57
NOT ASCERTAINED	10	6	7	6	5	4	5	4	3	5	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

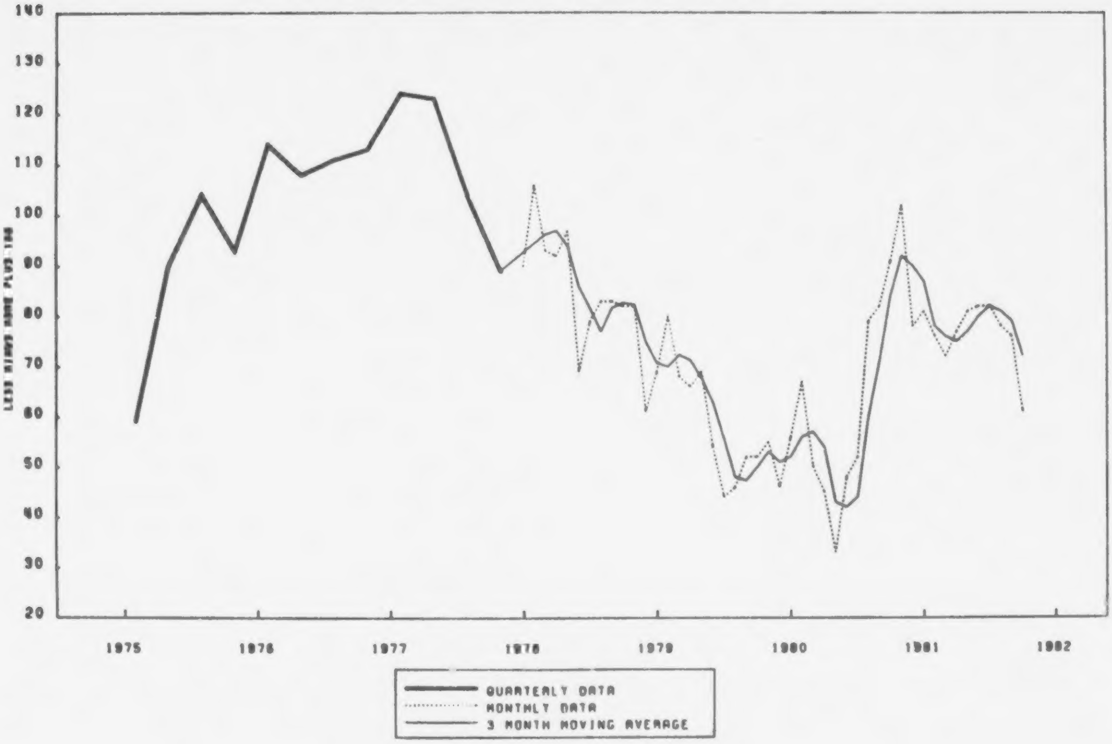

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

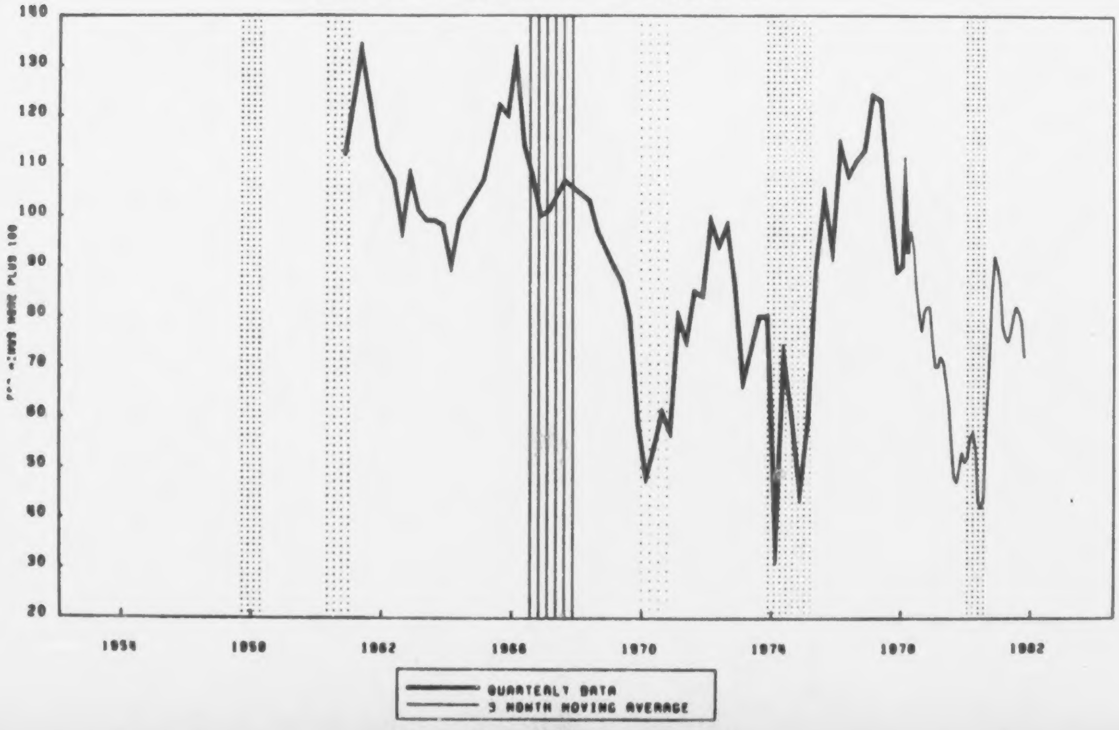

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
LESS	21%	26%	17%	19%	16%	13%	17%	17%	18%	18%	14%	15%	11%
SAME	46	47	41	41	42	43	41	46	44	44	47	45	38
MORE	30	24	39	38	40	41	40	36	36	36	36	39	50
DK,NA	3	3	3	2	2	3	2	1	2	2	3	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

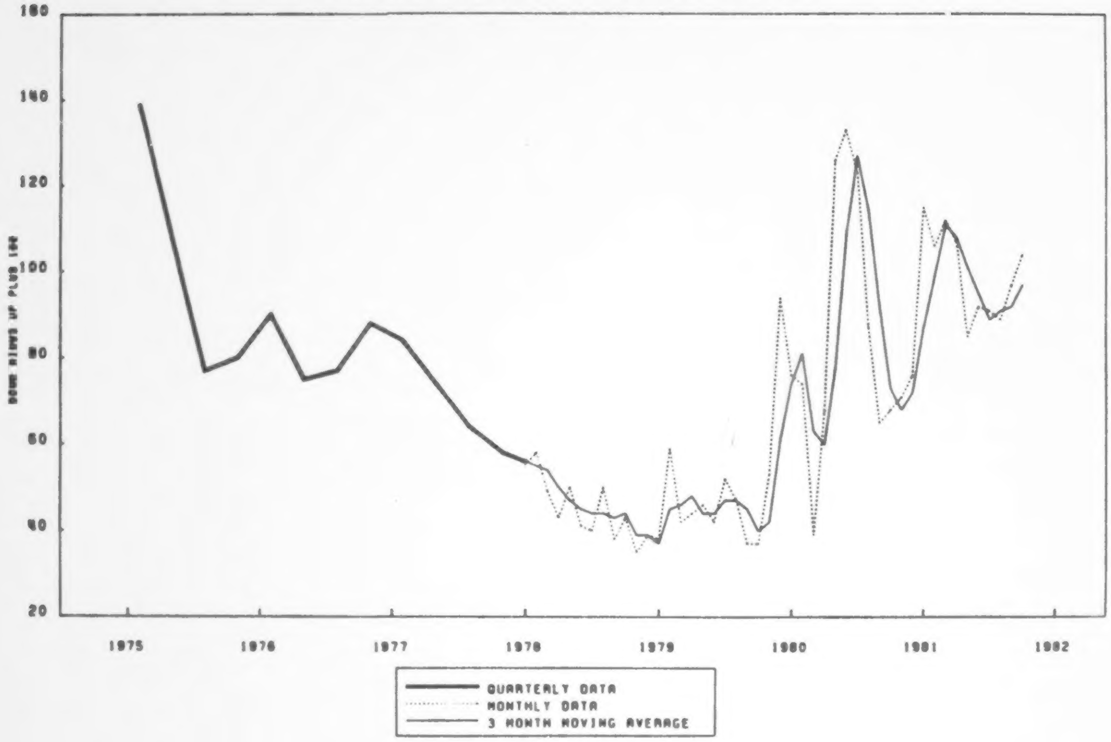

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

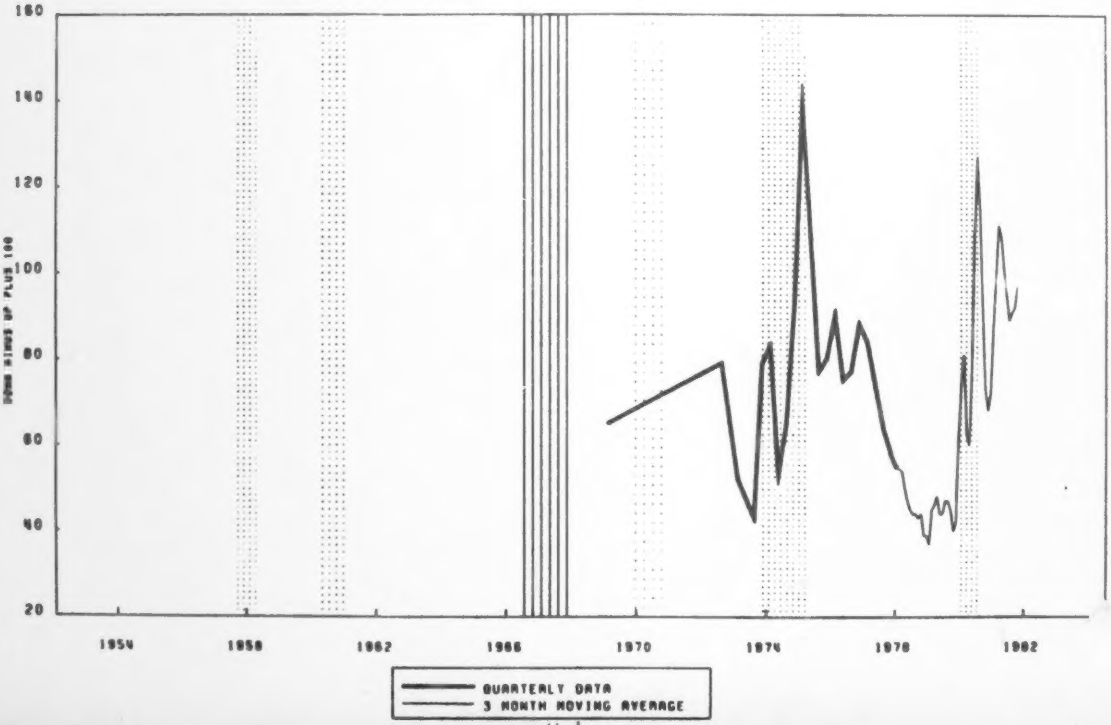

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GO UP	49%	51%	53%	29%	31%	29%	31%	41%	38%	38%	37%	33%	31%
STAY THE SAME	26	22	14	20	24	26	27	30	27	28	34	33	30
GO DOWN	17	22	29	44	37	41	38	26	30	29	26	30	35
DK,NA	8	5	4	7	8	4	4	3	5	5	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

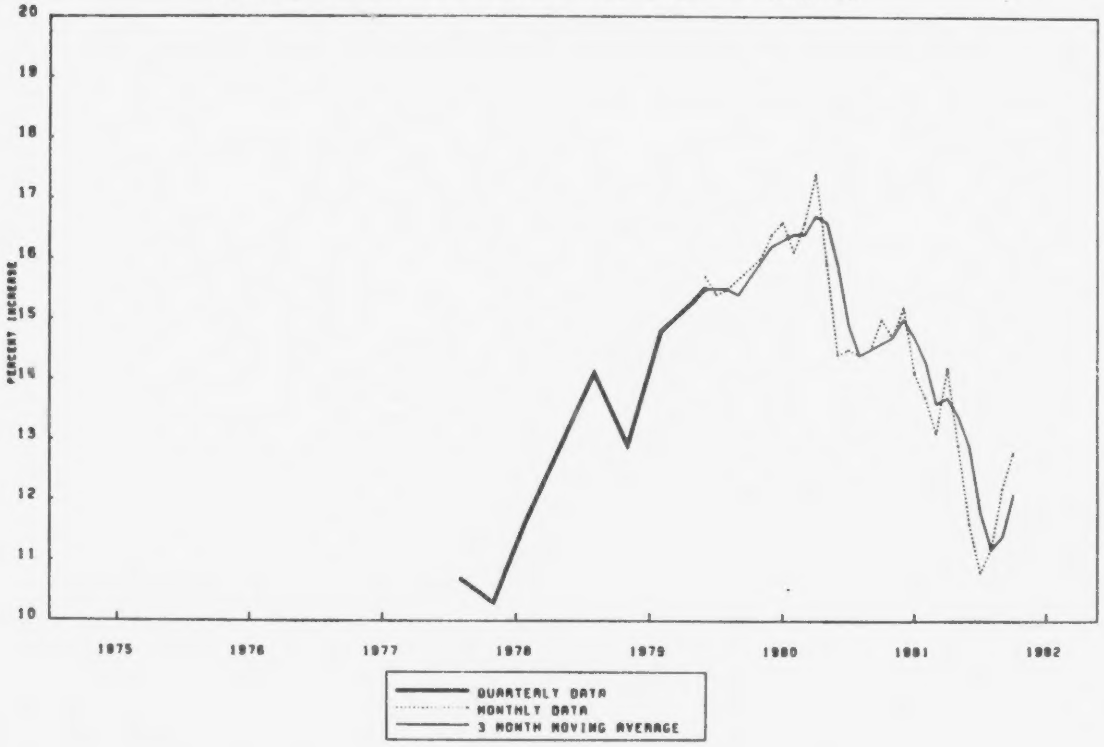

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
SAME OR DOWN	2%	3%	2%	3%	2%	4%	4%	5%	9%	10%	11%	10%	8%
GONE UP BY:													
1-2%	3	2	2	2	3	2	4	2	4	3	4	3	4
3-4%	4	4	3	4	4	4	5	7	6	6	7	4	5
5%	11	7	9	7	8	7	6	8	8	8	8	9	8
6-9%	11	12	9	8	8	10	12	10	10	10	10	14	11
10-14%	23	27	26	31	32	29	26	31	25	23	24	24	23
15% or more	32	29	32	28	25	25	30	27	22	20	21	23	24
DK how much up	14	16	16	17	17	18	13	10	16	20	15	12	17
DK,NA	*	*	1	*	1	1	*	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6	10.8	11.2	12.2	12.8
VARIANCE	169	161	158	130	128	111	156	123	112	104	107	142	147
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

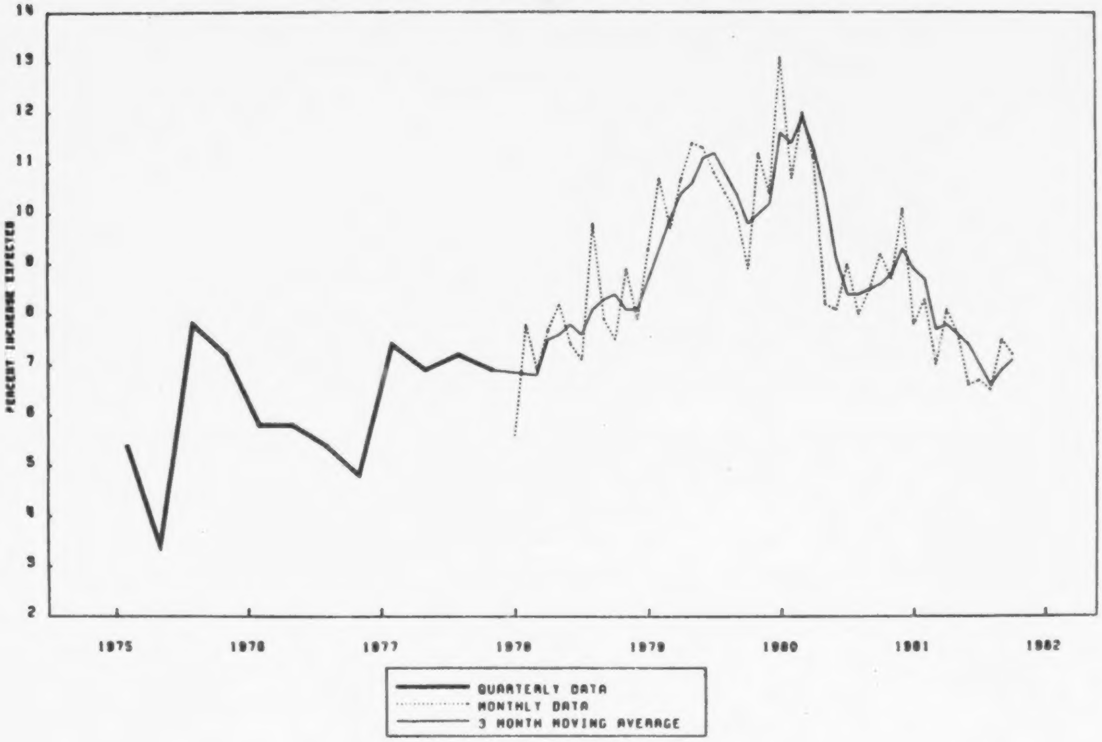

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

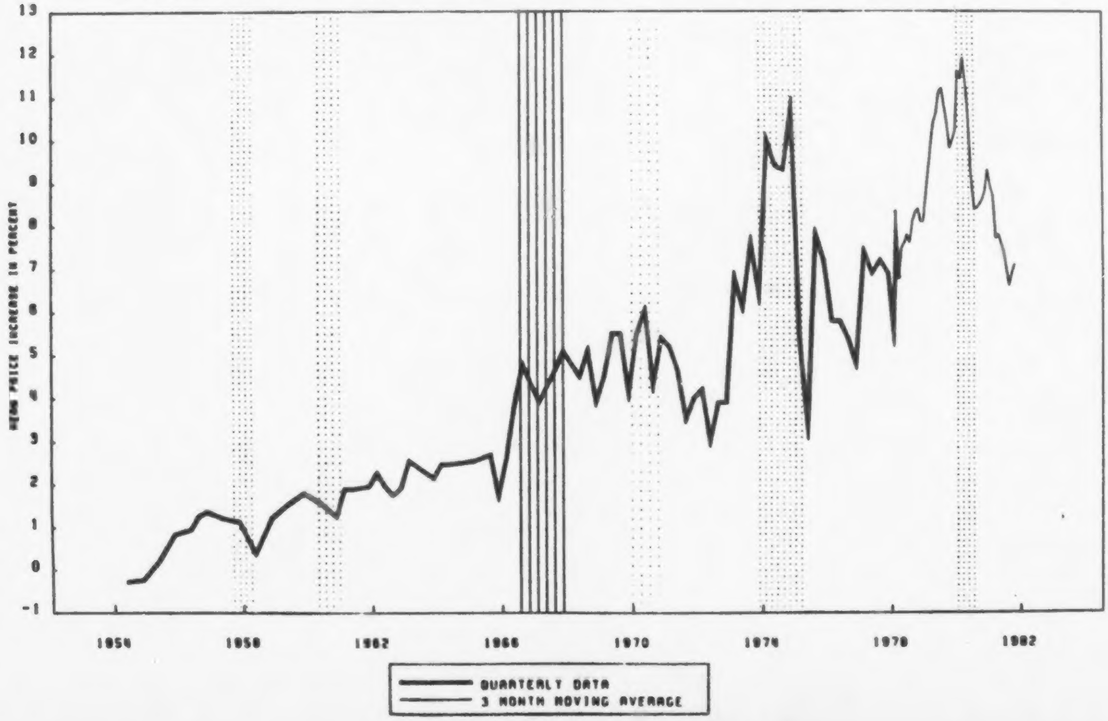

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
SAME OR DOWN	20%	25%	17%	21%	18%	26%	27%	25%	31%	31%	28%	30%	27%
WILL GO UP BY:													
1-2%	3	3	3	3	5	2	4	2	4	2	6	4	5
3-4%	6	5	5	6	9	8	7	8	6	6	6	8	6
5%	10	8	9	7	9	11	9	10	8	10	12	9	12
6-9%	10	12	11	12	12	11	9	13	12	15	11	11	13
10-14%	24	20	25	28	23	20	20	22	21	16	16	17	16
15% or more	16	14	18	9	12	9	14	11	10	10	10	13	11
DK how much up	9	11	10	11	10	11	8	7	7	10	8	7	8
DK,NA	2	2	2	3	2	2	2	2	1	*	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6	6.7	6.5	7.5	7.2
VARIANCE	100	102	107	54	74	57	97	79	57	71	60	91	68
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

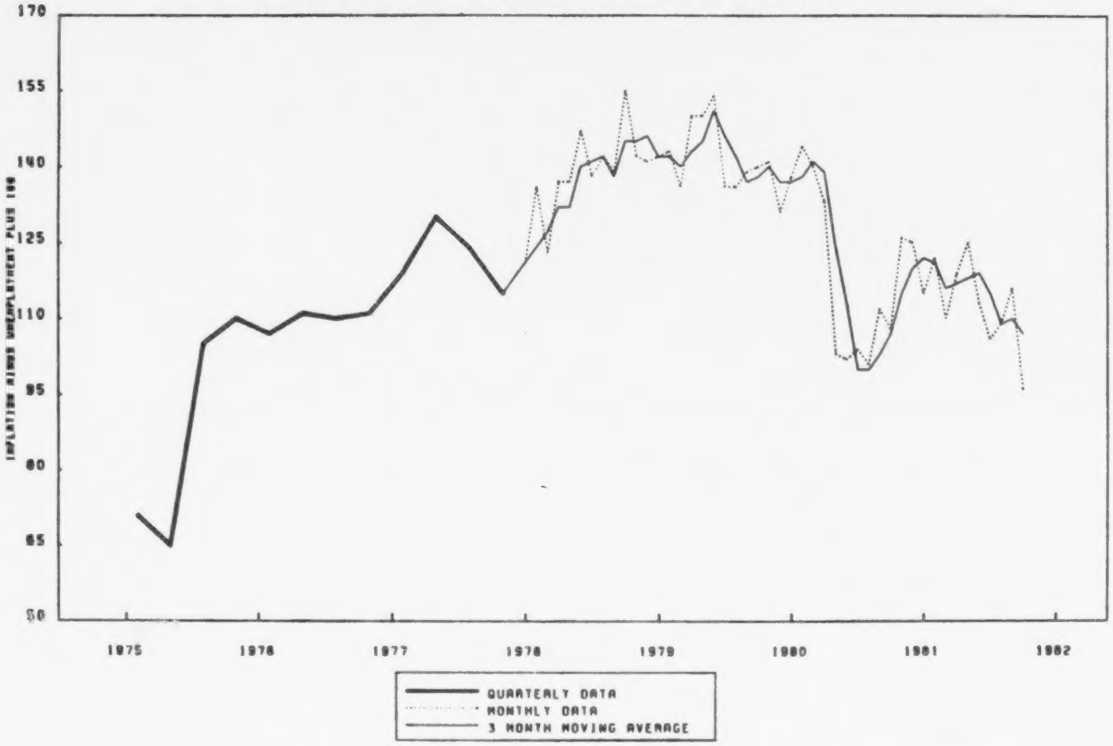

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

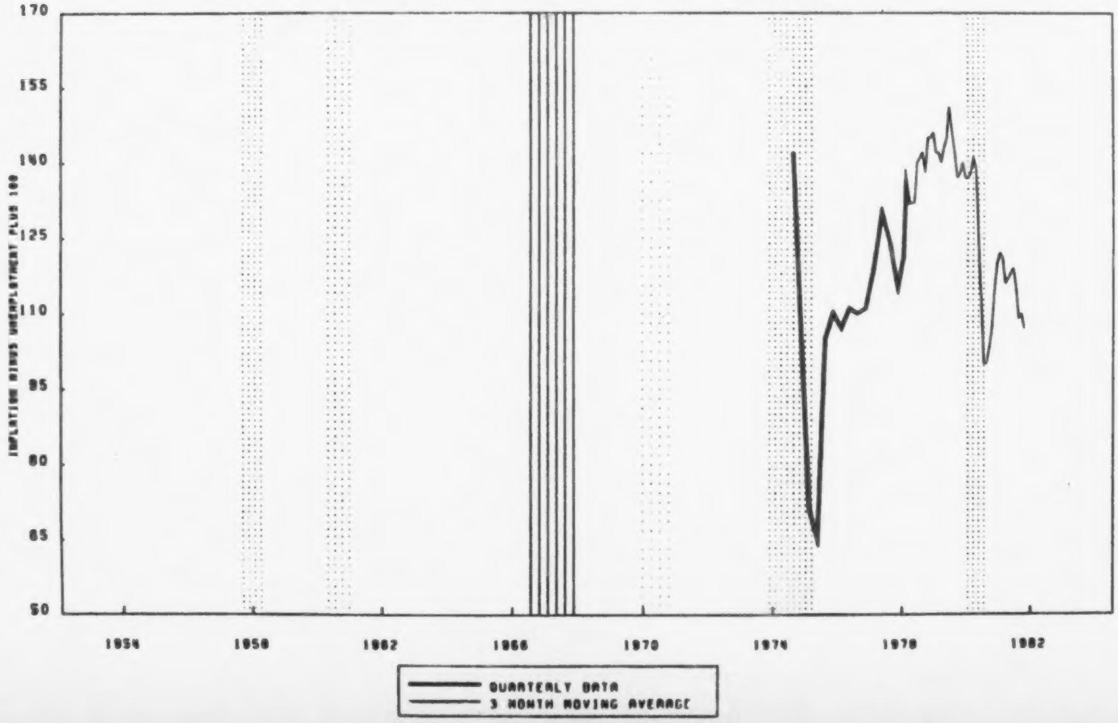

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
UNEMPLOYMENT	40%	31%	32%	34%	34%	39%	35%	33%	36%	42%	39%	37%	45%
BOTH EQUALLY SERIOUS	11	11	9	14	8	11	8	8	14	9	11	9	12
INFLATION	48	57	57	49	56	49	54	58	49	48	48	53	41
DK,NA	1	1	2	3	2	1	3	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

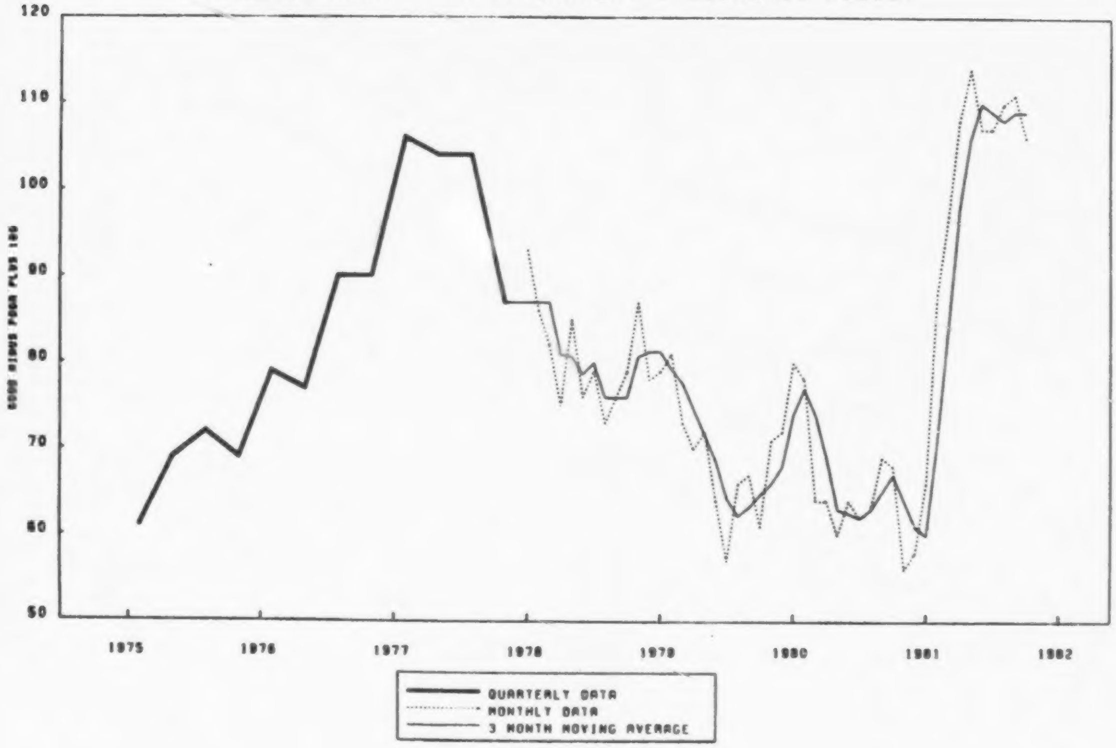

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

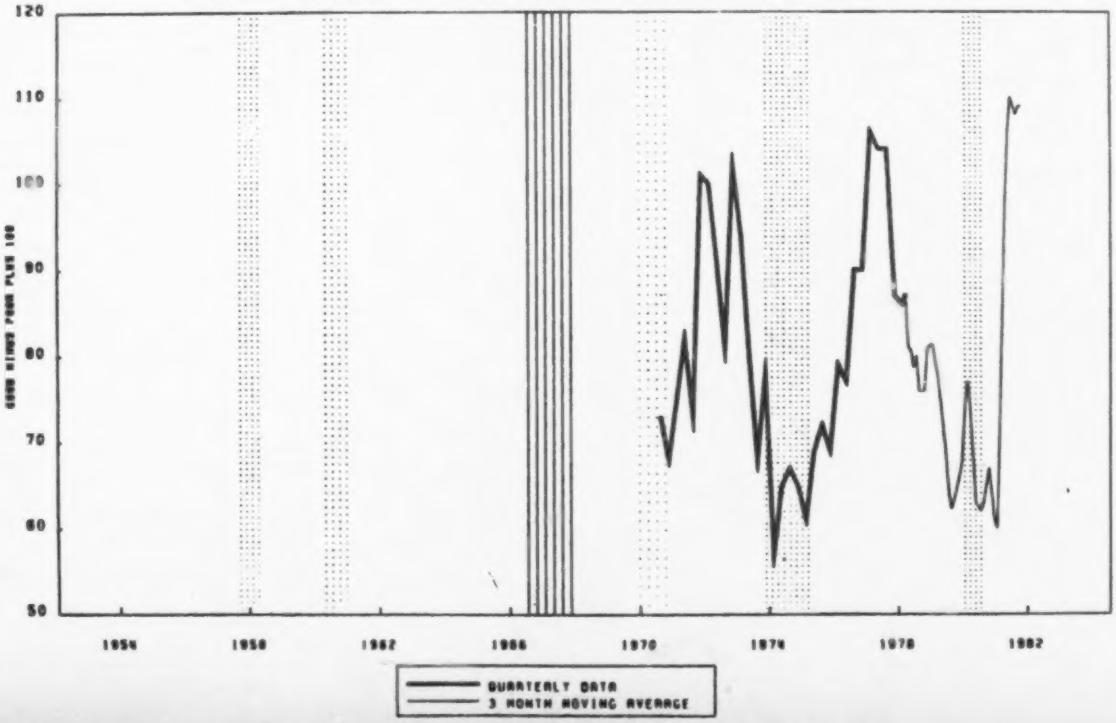

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
A GOOD JOB	8%	6%	7%	10%	19%	22%	28%	30%	25%	28%	31%	31%	31%
ONLY FAIR	50	41	42	42	40	45	47	49	54	47	44	45	41
A POOR JOB	40	50	49	44	31	25	20	16	18	21	21	20	25
DK,NA	2	3	2	4	10	8	5	5	3	4	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

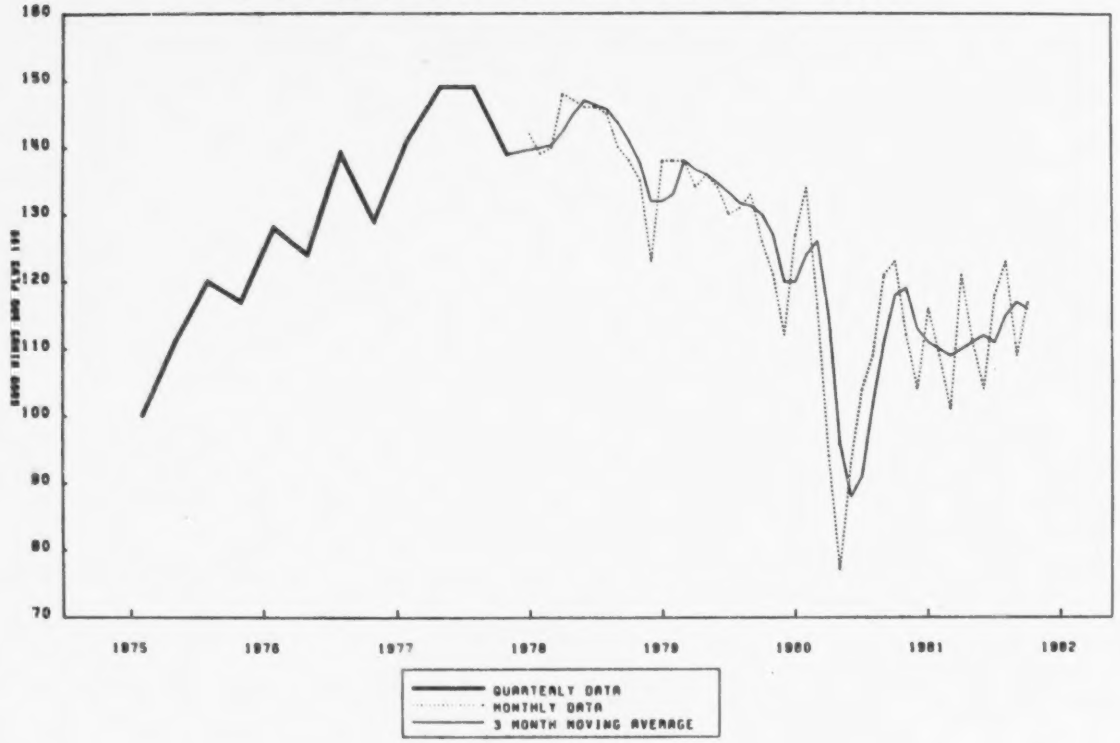

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

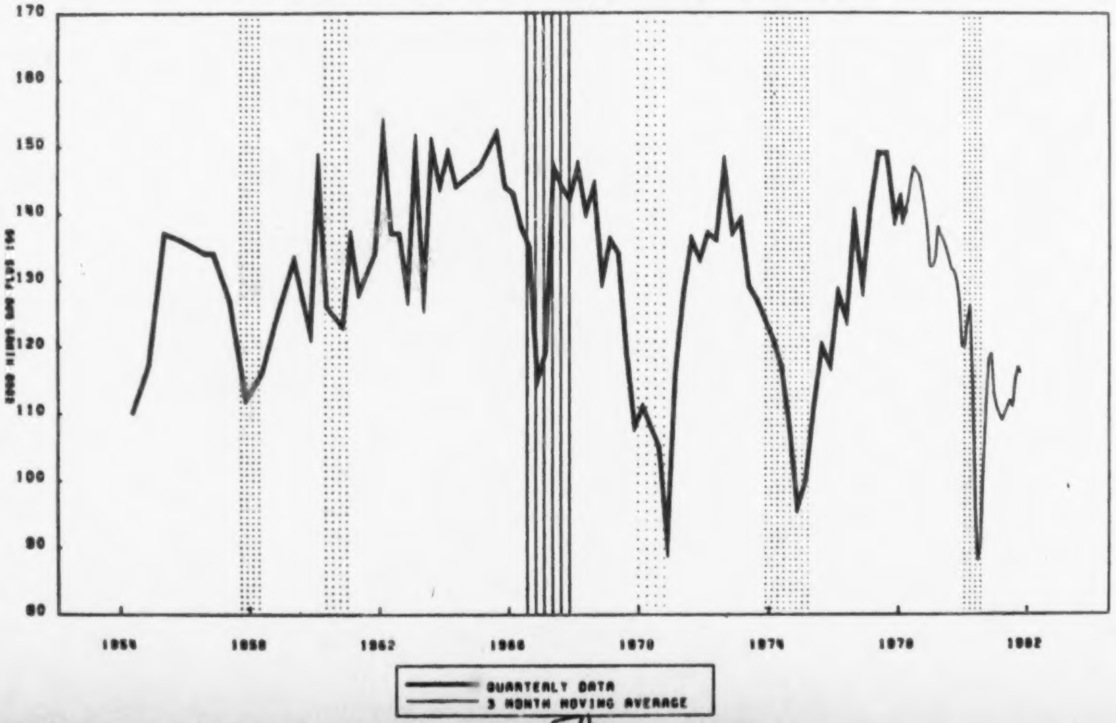

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY	55%	50%	45%	50%	47%	43%	54%	50%	44%	53%	55%	44%	52%
UNCERTAIN, DEPENDS	13	12	14	16	15	15	13	11	16	12	13	21	13
BAD TIME TO BUY	32	38	41	34	38	42	33	39	40	35	32	35	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	20%	17%	23%	23%	22%	21%	16%	20%	24%	24%	20%	21%
Prices won't come down; are going higher	30	31	24	28	24	23	31	30	23	27	26	21	25
Interest rates low; credit is easy	4	2	3	2	3	1	2	3	1	2	3	1	1
BAD TIME TO BUY:													
Prices are high	16	23	26	17	24	23	19	25	22	23	17	21	19
Interest rates are high; credit is tight	17	17	22	25	26	22	17	18	23	17	21	21	17
Lack of purchasing power	11	11	11	11	13	16	12	9	13	8	7	9	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

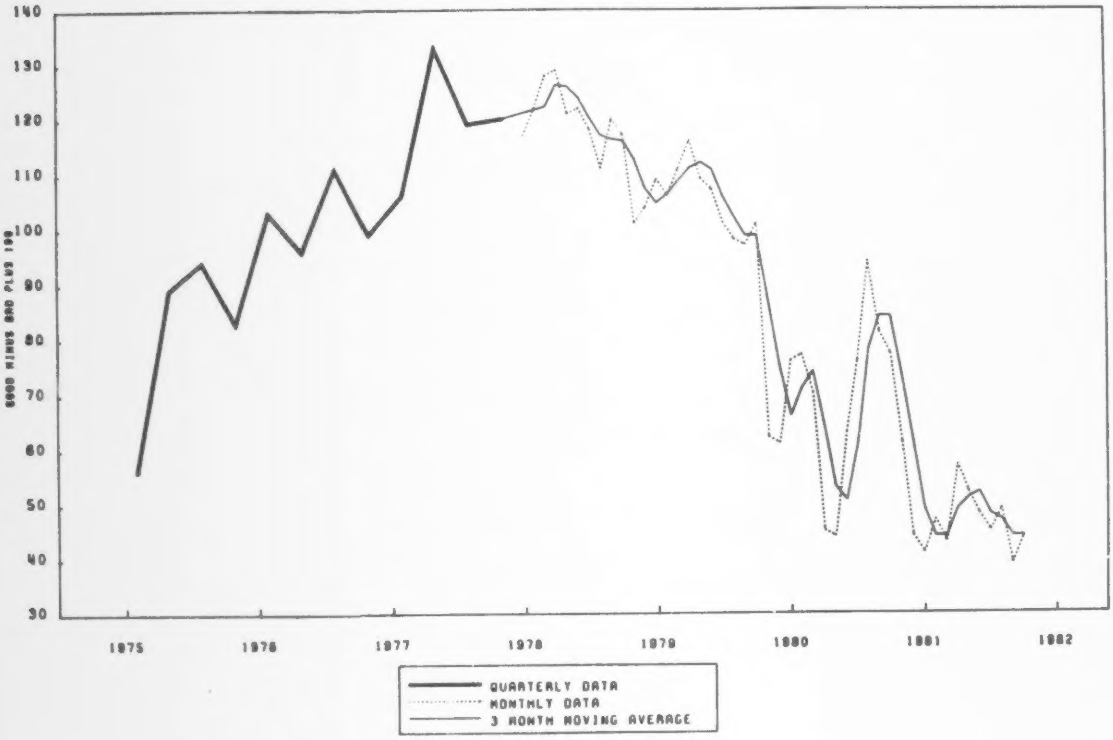

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

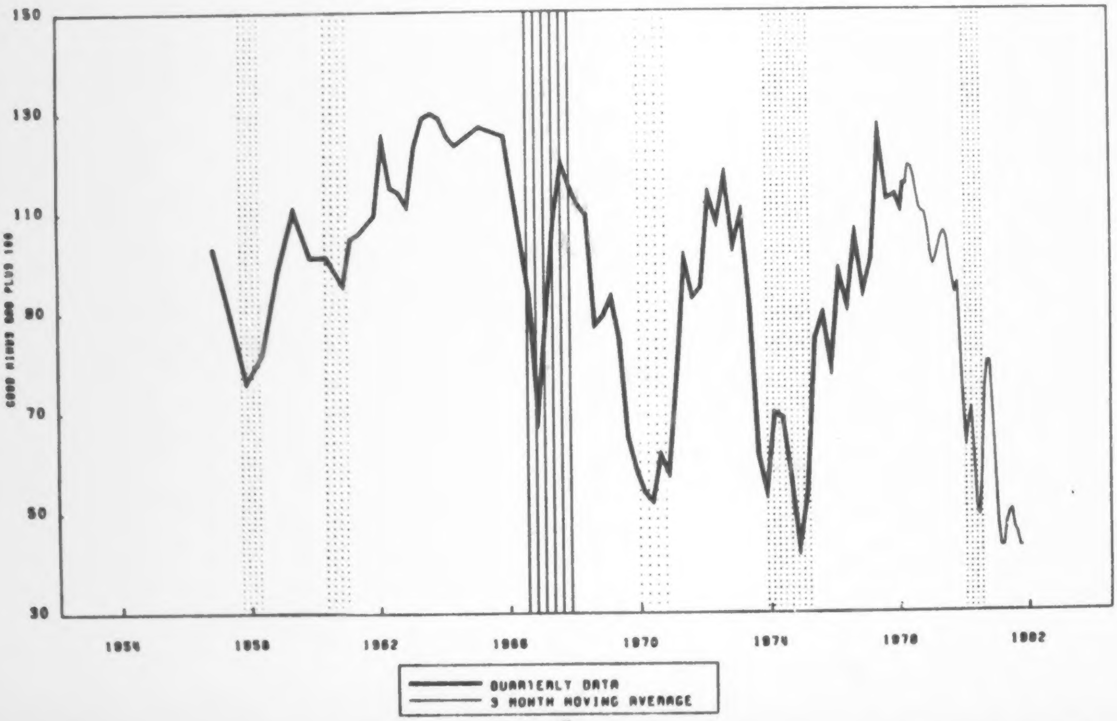

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY	36%	28%	19%	18%	21%	20%	26%	24%	20%	20%	21%	15%	18%
UNCERTAIN, DEPENDS	5	5	6	5	5	3	5	4	8	5	7	9	8
BAD TIME TO BUY	59	67	75	77	74	77	69	72	72	75	72	76	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	4%	4%	3%	5%	4%	5%	5%	5%	5%	6%	5%	7%
Prices won't come down; are going higher	17	16	10	12	10	9	12	10	10	10	10	7	9
Interest rates low; credit is easy	16	10	6	4	7	5	9	7	5	6	8	6	4
Good investment	8	7	6	7	10	7	8	6	6	7	5	4	3
BAD TIME TO BUY:													
Prices are high	27	28	28	32	31	32	30	28	30	30	23	30	27
Interest rates are high; credit is tight	56	66	77	76	73	76	66	71	71	71	76	80	78
Lack of purchasing power	12	11	12	10	14	13	12	11	13	12	11	15	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

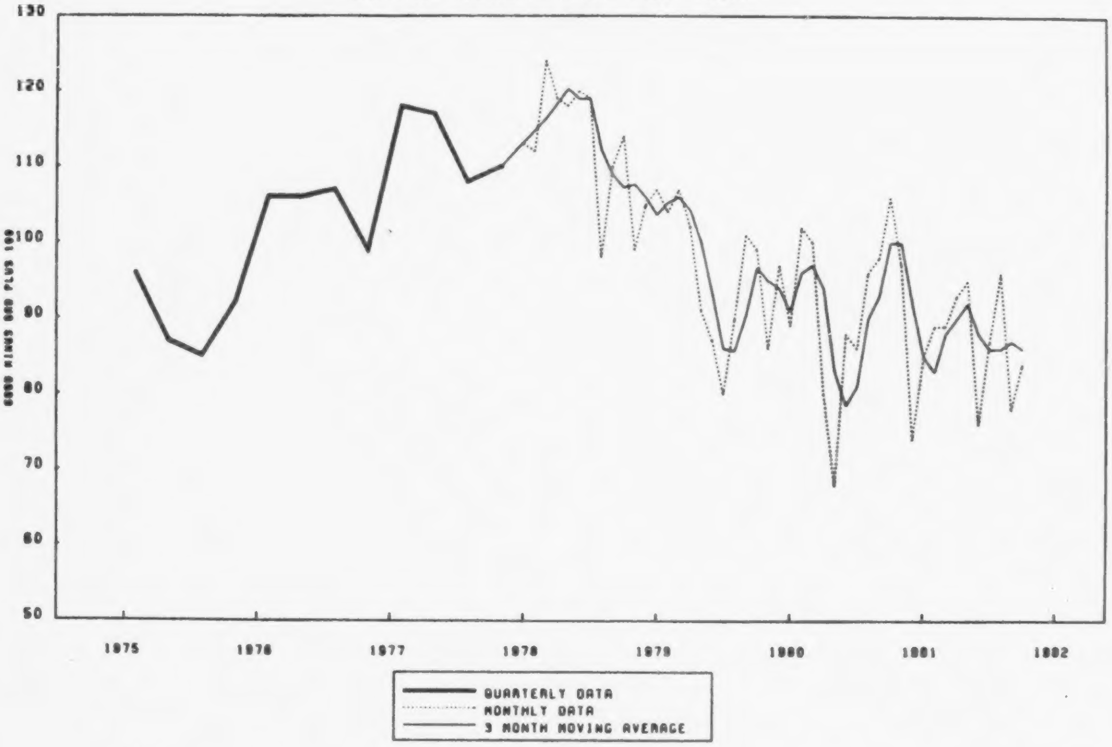

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

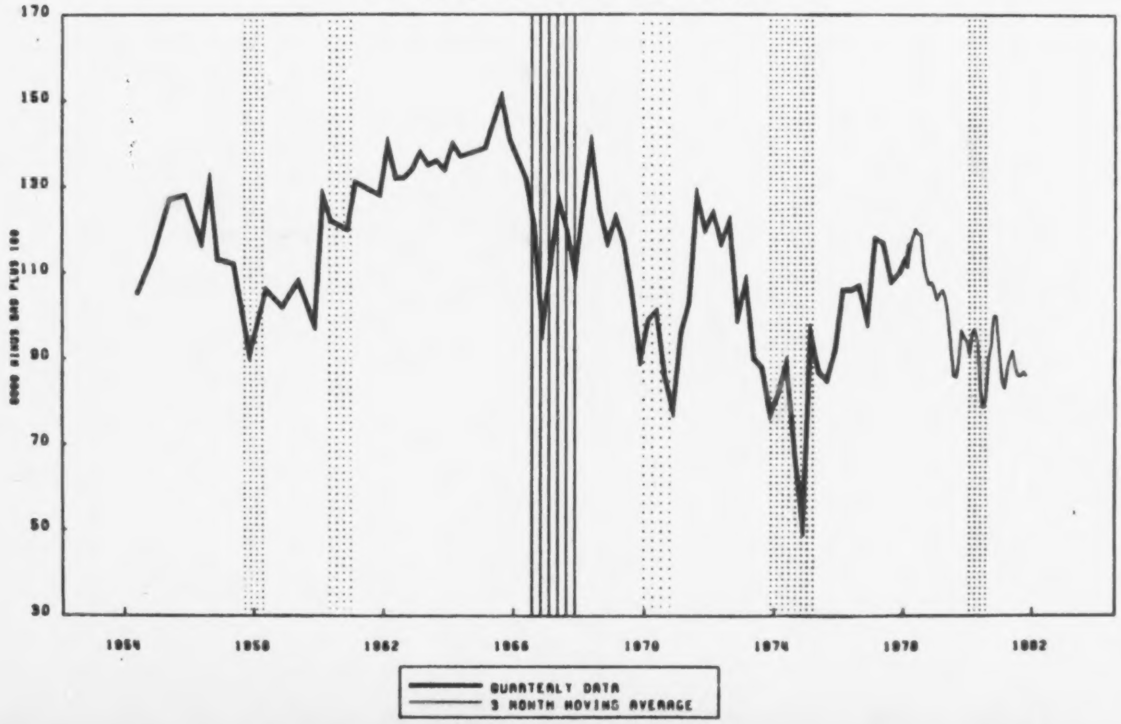

TABLE 30

BUYING CONDITIONS FOR CARS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY	45%	41%	33%	36%	39%	39%	42%	44%	33%	40%	43%	34%	37%
UNCERTAIN; DEPENDS	16	15	8	13	11	11	9	7	10	7	10	10	10
BAD TIME TO BUY	39	44	59	51	50	50	49	49	57	53	47	56	53
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	17%	13%	18%	22%	30%	25%	23%	14%	17%	19%	14%	20%
Prices won´t come down; are going higher	17	16	12	13	12	10	19	15	12	18	18	15	14
Interest rates low; credit is easy	3	3	4	5	3	2	3	4	2	3	5	6	4
New fuel efficient models	12	7	5	4	4	6	4	5	5	5	4	4	2
BAD TIME TO BUY:													
Prices are high	23	28	31	33	31	34	31	33	34	33	26	30	36
Interest rates are high; credit is tight	14	17	29	28	27	21	22	17	28	25	26	31	29
Lack of purchasing power	8	7	9	7	7	10	8	6	6	6	5	8	7
Price of gas; shortages	4	4	5	4	8	6	5	3	2	3	4	3	1
Poor selection; quality	13	10	12	9	9	9	8	10	9	11	8	9	8

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
PROBABLY WILL BUY	15%	17%	14%	15%	16%	14%	15%	17%	17%	14%	19%	17%	14%
CHANCES ARE EVEN	7	6	6	8	7	6	8	9	8	7	7	3	7
PROBABLY WILL NOT BUY	67	66	67	66	62	67	65	63	66	64	59	67	70
DK,NA	11	11	13	11	15	13	12	11	9	15	15	13	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	685	694	684	698	668	703	690	667	675	694	696	681	712

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	22%	23%	20%	23%	23%	20%	23%	26%	25%	21%	26%	20%	21%
PURCHASE TYPE:													
Buy new	12	11	8	11	10	9	11	11	10	9	12	9	10
Buy used	7	9	9	8	10	9	10	12	11	9	11	9	9
Lease	2	*	1	1	1	1	1	1	2	2	2	1	1
DK,NA	1	3	2	3	2	1	1	2	2	1	1	1	1
PURCHASE TIMING:													
Next 3 months	3	4	2	3	1	1	5	5	2	5	3	2	4
Next 4-6 months	4	3	3	5	6	4	8	5	7	6	7	4	6
Next 7-9 months	7	6	5	6	7	5	5	7	7	2	3	5	3
10 months or more	4	4	5	4	3	5	2	3	5	3	7	5	4
DK,NA	4	6	5	5	6	5	3	6	4	5	6	4	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept 1981	Oct. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	67%	66%	67%	66%	62%	67%	65%	63%	66%	64%	59%	67%	70%
PURCHASE TYPE:													
Would buy new	44	38	37	35	33	34	39	37	37	35	34	33	38
Would buy used	20	26	27	29	28	28	24	25	27	27	23	31	29
DK,NA	3	2	3	2	1	5	2	1	2	2	2	3	3
PURCHASE TIMING:													
Less than 2 years	5	6	7	6	5	6	9	6	5	4	7	5	5
2 years	20	23	20	17	23	23	19	22	20	19	18	23	20
3 years	15	11	12	12	9	9	9	10	11	11	10	10	11
4 years or more	15	15	18	19	16	19	22	15	20	18	18	21	24
Indefinite	3	5	3	5	3	3	3	4	5	5	1	2	4
DK,NA	9	6	7	7	6	7	3	6	5	7	5	6	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

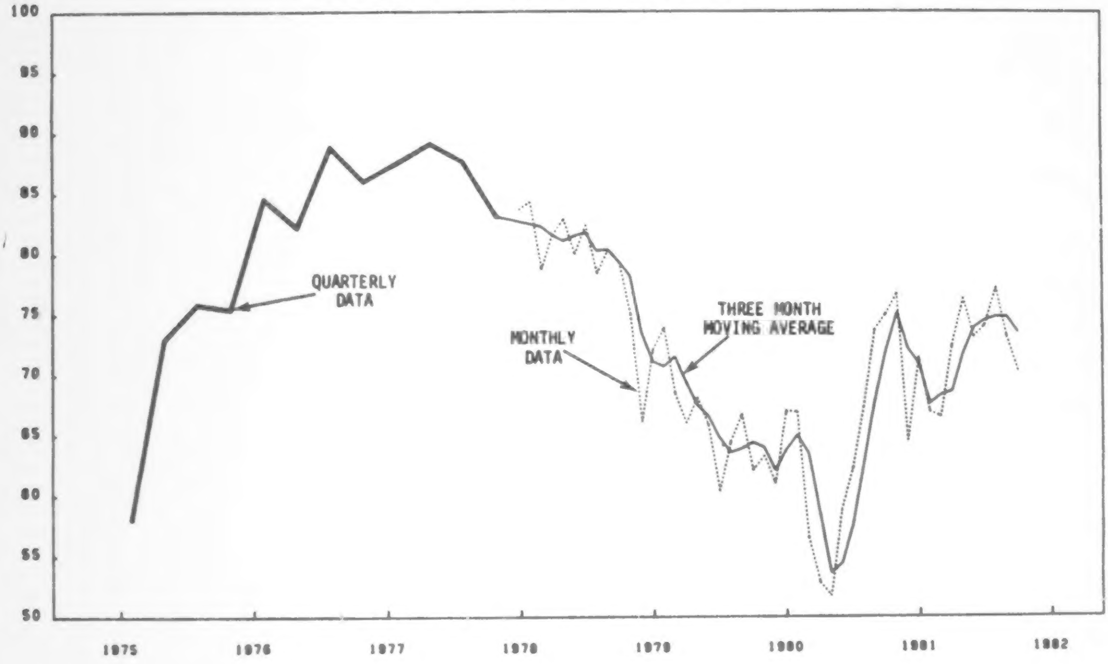

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

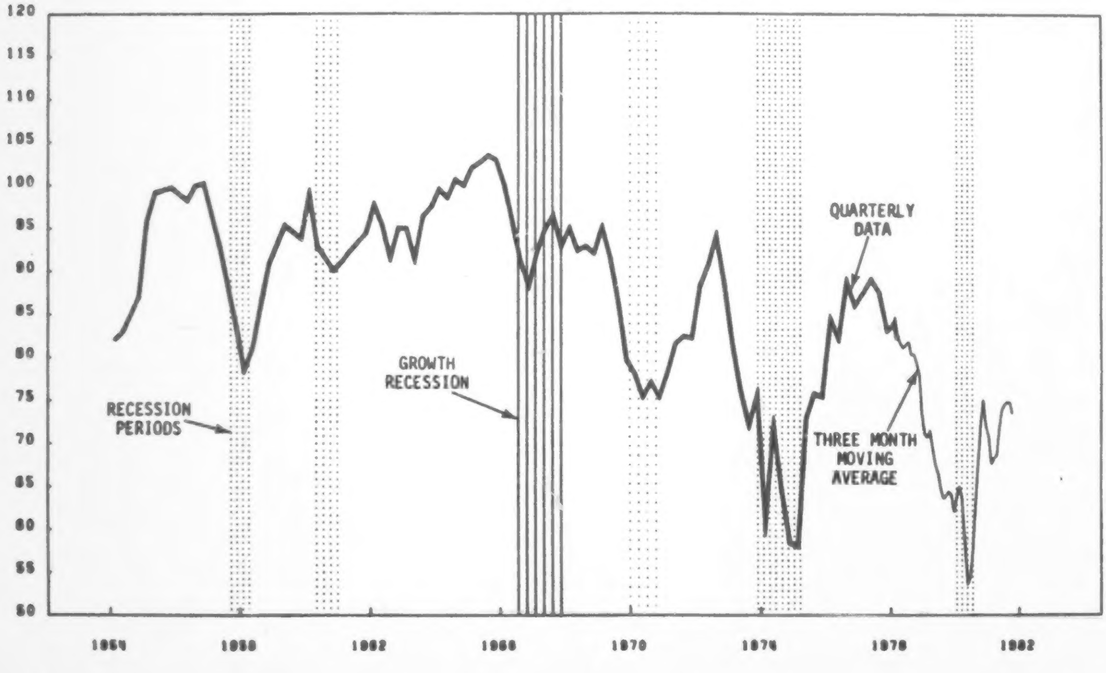

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarters) before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scales represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

U7475-2

October 30, 1981

OCTOBER 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

HIGH INTEREST RATES OVERWHELM CONSUMERS

** In the October 1981 survey, the Index of Consumer Sentiment was 70.3, below the month-earlier (73.1) and the year-earlier readings. During the past year, the Index has moved in a zigzag horizontal pattern, due to divergent trends in consumer attitudes and expectations. The favorable impact of lower inflation rates has been offset by high interest rates, and more recently a growing concern with unemployment.

** Among families with incomes of $25,000 and over, the Index figure was 77.9 in October 1981, up from 73.3 in September, but just below the year-earlier figure of 78.7. Compared with a year earlier, the greatest declines recorded in the October survey were among those aged 55 and older, while the largest improvements were recorded among residents of the Western region.

** The October survey recorded a greatly heightened concern with unemployment (50 percent expected further increases, up from 39 percent a month earlier), while concern with inflation has diminished (the expected inflation rate fell to 7.2% from 9.2% a year ago). As a consequence, more consumers now expect unemployment rather than inflation to represent the more serious economic hardship facing the nation.

** Short and long-term business expectations were less favorable in the October survey than either one month or one year earlier. The proportion that expected good times in the economy as a whole fell to 25 percent in October, down from 33 percent in September 1981. Underlying these expectations, favorable references to federal economic policies were less frequent in the October survey, while unfavorable references grew somewhat in frequency.

** Attitudes toward buying conditions for houses remained near record unfavorable levels in the October survey, despite marginal improvement from month-earlier figures. Unfavorable attitudes toward buying conditions for autos remained widespread, although improved somewhat in October over September 1981.

** High interest rates led to postponement of purchases among 30 percent of all households during the past six months, with vehicles being the purchase most frequently postponed. Depending on whether increases or decreases in interest rates were expected during the year ahead, sharply divergent outlooks for personal finances as well as general business conditions were recorded.

* * *

High interest rates coupled with rising concern with spreading unemployment has not only directly resulted in less favorable evaluations of current business conditions, it has also dampened confidence in the ability of economic policies to promote more favorable future prospects. Large discretionary purchases will continue to be responsive to trends in interest rates, but more favorable employment and real income trends are necessary before sustained growth in housing and vehicle sales can be expected

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Concern Shifts Toward Unemployment from Inflation

In the October 1981 survey, 50 percent of all respondents expected unemployment to increase in the year ahead, up from 39 percent in September, and 30 percent in October 1980. During the past year, the proportion of households that expected unemployment to decline fell from 21 to 11 percent. Consequently, by October 1981, 88 percent expected the unemployment rate to remain at its current high level or to further increase in the year ahead.

While growing concern with unemployment has been recorded during the past year, concern with inflation has moderated substantially. In the October 1981 survey, consumers expected the inflation rate to average 7.2% in the year ahead, down from 7.5% in September, and 9.2% in October 1980. Among all families, 27 percent expected inflation to average 10% or more, down from 40 percent saying so one year earlier.

When asked whether unemployment or inflation would cause the more serious economic hardship during the year ahead, the proportion that selected unemployment in October 1981 exceeded the proportion that mentioned inflation for the first time in more than a year, and only the second time since early 1975. In the October 1981 survey, 45 percent thought unemployment represented the more serious hardship compared with 41 percent mentioning inflation, identical to the July 1980 reading.

Business Outlook Dims

Consumers more frequently reported that current business conditions had worsened in October 1981 than in any of the prior six months, reversing the entire improvement recorded during the past year. Among all families, 63 percent reported business conditions had worsened during the past year, up from 57 percent in September, and just below the 64 percent recorded in October 1980. The proportion of families that reported improved business conditions was 23 percent in the October 1981 survey, down from a recent high of 33 percent in August, and identical to the 23 percent recorded a year ago.

Expected changes in business conditions were also less favorable in the October 1981 survey. The proportion of all families that expected business conditions to worsen during the year ahead increased to 25 percent in October 1981, up from 19 percent in September, and 18 percent in October 1980. The almost two-to-one margin of favorable over unfavorable business expectations of a year ago was reduced to the rather narrow margin of 31 to 25 percent in October 1981.

When asked why they thought business conditions would improve or worsen, a shift in the perceived impact of government economic policies was reflected in the pattern of responses. The proportion of families that made spontaneous favorable references to federal economic policy and the Reagan administration declined to 19 percent in October 1981, down from 24 percent in September, and 35 percent in January 1981. At the same time, the proportion of families that made spontaneous unfavorable references to federal economic policy rose to 15 percent in October 1981, from 11 percent in September, and 7 percent in January 1981.

Confidence in government economic policy increased sharply from January to August 1981. The proportion that favorably rated government economic policy rose from 10 to 31 percent from January to August, but has remained at that same exact level through the September and October 1981 surveys. Unfavorable ratings of government economic policy rose to 25 percent in October from 20 percent in September 1981. Although confidence in government economic policy has yet to decline significantly (due in part to favorable inflation trends), the upward momentum has ended in the face of rising concern with unemployment.

Buying Attitudes Remain Unfavorable

In the October 1981 survey, attitudes towards buying conditions for houses, autos, and durables improved only slightly from the September 1981 levels. As has been the case for the preceding 12 months, high interest rates and high prices continue to be the dominant factors underlying unfavorable buying attitudes.

Attitudes towards buying conditions for houses showed a small improvement in October over September 1981, but nonetheless remained near record unfavorable levels. The proportion of respondents that reported favorable house buying conditions was 18 percent in October, up from 15 percent in September 1981. Unfavorable evaluations in October 1981 stood at 74 percent, down from 76 percent in September. Unfavorable evaluations outnumbered favorable responses by more than four to one in October 1981, as opposed to a less than two to one margin a year ago. In explaining their attitudes toward the housing market, respondents continued to cite tight credit conditions in record proportions, with 78 percent of all families mentioning interest rates as a reason for unfavorable buying conditions, compared with 80 percent in September 1981, and 56 percent in October 1980.

Attitudes toward buying conditions for automobiles in October 1981 continued in the horizontal zig zag pattern exhibited during the past two years. Among all families, 37 percent reported that it was a good time to buy a car, up from 34 percent in September, but below the October 1980 level of 45 percent. Unfavorable evaluations in October 1981 stood at 53 percent, down slightly from 56 percent in September 1981, but much higher than the 39 percent recorded in October 1980. References to interest rates continued at high levels, with 29 percent of all respondents citing this reason for unfavorable buying conditions in October 1981. While mentions of high prices rose to 36 percent in October 1981 from 30 percent in September 1981, and 23 percent in October 1980, mentions of low prices also increased, due to continued availability of rebates. In October 1981, 20 percent of all families mentioned price discounts, up from 14 percent in September.

The proportion of respondents reporting favorable buying conditions for large household goods increased to 52 percent from 44 percent in September 1981, while unfavorable evaluations remained unchanged. Attitudes towards buying conditions for durables remained, on balance, unchanged from year ago levels. High prices and high interest rates were spontaneously mentioned with nearly equal frequency (19 percent and 17 percent in October 1981), a slight decline from September, when both stood at 21 percent.

The Impact of Interest Rates

High interest rates have recently played a central role in shaping current purchase behavior as well as future economic expectations. When asked whether they had postponed any purchases during the past six months due to interest rates, 30 percent of all households in the October 1981 survey reported they had postponed purchases (see Table A below). The most frequently postponed items were vehicles (mentioned by 11 percent of all households), followed by household durables (8 percent), housing (8 percent), and home repairs (3 percent). Families that had postponed purchases were asked what interest rate would have been charged on the postponed purchases--the median response was 17.3%. Following this, they were asked about the interest rate they would have been willing to pay when making such a purchase, with 11.8% being the median response. When comparisons were made among identical individuals, the difference between the interest rate charged and the interest rate they were willing to pay was 4.6%.

The importance of interest rate trends in the formulation of economic expectations is amply demonstrated in Table B. Among all households, roughly one-third expected interest rates to increase in the year ahead, one-third expected rates to remain about the same, and one-third expected interest rate declines. Depending on the outlook for interest rates, economic attitudes and expectations were sharply divergent. Among those who expected interest rates to increase, the ICS was 60.2, significantly lower than among those that either expected interest rates to remain the same (71.2), or among those who expected interest rates to decline (78.6). Expected changes in personal finances and business conditions were much more favorable among respondents who also expected interest rates to decline, the difference especially sharp for long term business expectations. Interestingly, expected trends in interest rates and prices were highly related. Respondents who expected declines in interest rates in the year ahead also expected the inflation rate to average just 5.2%. In contrast, those who expected increases in interest rates also expected the inflation rate to average 11.1% in the year ahead.

* * *

The October 1981 survey contained 712 interviews, conducted between September 24 and October 21, 1981.

TABLE A

INTEREST RATE EFFECT ON CONSUMER PURCHASES DURING THE LAST SIX MONTHS

	October 1981	
Postponed Purchases:	30%	
Vehicles		11[*]
House, real estate		8
Household durables		8
Home repairs		3
Clothing		1
Other		3
Did not Postpone Purchase	67	
Don't know, not ascertained	3	
Total	100%	
Cases	712	
Interest rate that would have been charged on postponed purchase		
Median		17.3%
Highest interest rate willing to pay to make purchases		
Median		11.8%
Difference between interest rate charged and willing to pay		
Median		4.6%

---

[*] Items add to more than 30% due to multiple mentions.

The questions were: "Have interest rates caused you to postpone making any purchases during the last six months? "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

TABLE B

IMPACT OF EXPECTED CHANGE IN INTEREST RATES DURING THE NEXT 12 MONTHS ON CONSUMER SENTIMENT

(October 1981)

	Expected Change in Interest Rates During the Next 12 Months		
	Up	Same	Down
All households	31%	30%	35%
Index of Consumer Sentiment	60.2	71.2	78.6
Personal Finances			
Expected during next year			
Better	28%	24%	36%
Worse	28%	18%	13%
Relative[a]	100	106	123
Business Conditions			
Expected during next year			
Better	16%	26%	51%
Worse	39%	19%	17%
Relative[a]	77	107	134
Expected next five years			
Better	12%	27%	33%
Worse	76%	58%	39%
Relative[a]	36	69	94
Evaluation of Government Economic Policy			
Good job	15%	26%	46%
Poor job	38%	21%	18%
Relative[a]	77	105	128
Mean Expected Change in Prices Next 12 Months	11.1%	6.5%	5.2%

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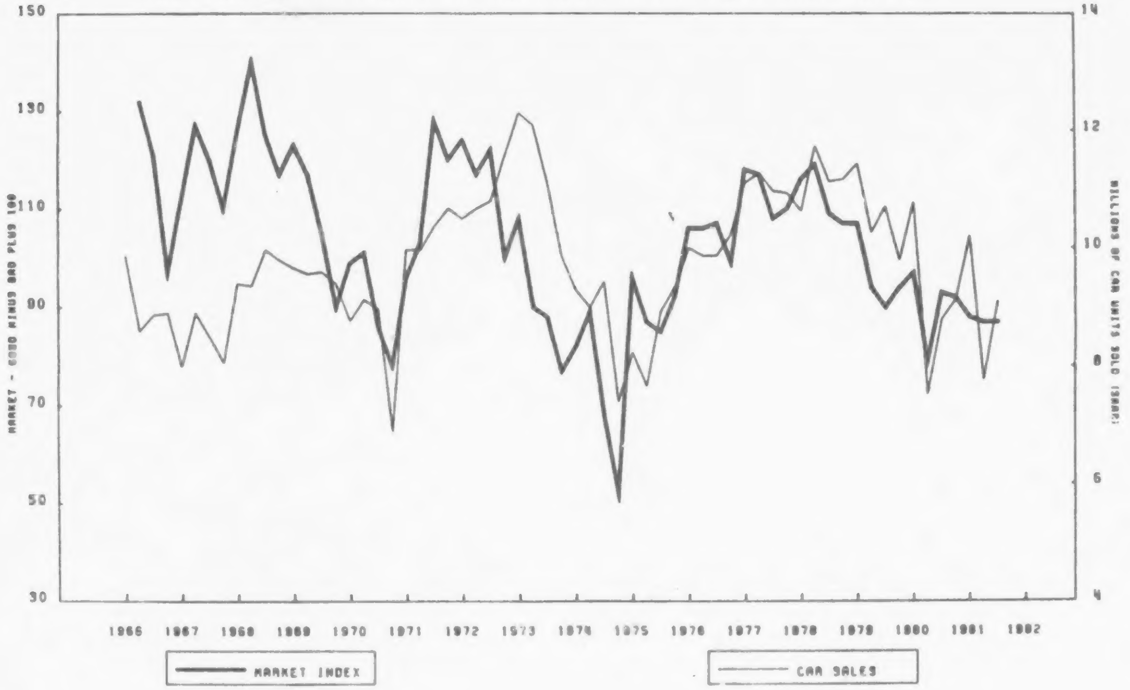
[a] Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES



BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES